The taxing States do not levy, as they do in the case of their own residents, on the entire income of nonresidents. It is, therefore, entirely appropriate and equitable for these States to withhold from nonresidents the same measure of deductions as are accorded to residents. The validity of this distinction in the measure of deductions granted has been upheld by the courts (*Chas. Goodwin, Jr.* v. *New York State Tax Commission* ((1955) 146 N.Y.S. 2d 172; (1956) 1 N.Y. 2d 680; appeals dismissed (1956) 352 U.S. 805)).

If State A imposes no tax on the income of its own residents, why should the latter, who carry on their business or earn their livelihood in State B in competition with citizens of State B, be exempt from taxation on income by State B? To erect such exemption into a general rule would result not only to the disadvantage of citizens of State B but would encourage every citizen of State B who desired to escape taxes to transfer his legal residence to a country home in State A.

Irrespective of his place of domicile the owner of income-producing property or the recipient of income within a State has the right to call upon the government of that State for protection of his rights. Accordingly, he is under a corresponding obligation to pay taxes, including income taxes, to defray the cost of such protection.

In seeking to recover revenues lost by adoption of the proposed amendment States might be encouraged to levy novel taxes on business establishments which would have the effect of discouraging them from hiring out-of-State employees.

Of the 31 States levying taxes on personal income all but 2 grant their residents a credit for taxes levied on them as nonresidents by other States. Hence the burden alleged to be produced by multiple taxation is grossly exaggerated.

For almost 40 years collection of State income taxes from nonresidents has been sustained as constitutional (*Travis* v. *Yale and Towne Mfg. Co.* (1920) 252 U.S. 60)). The proposed amendment thus would overturn a mode of taxation that has met the test of time.

SENATE

TUESDAY, APRIL 21, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, with soiled face and hands unclean with the dust of earthly toil, in this moment of communion with the unseen, we would come to the crystal waters of Thy restoring grace.

As those set aside to prescribe for the ills of an ailing social order, we pray that Thou will first cleanse our own souls from moral pollution and mental darkness.

In a world where the worst wars constantly against the best, open our eyes to invisible allies which fight by the side of those who keep step with the drumbeat of Thy will—invincible forces which at last will bend and break the spears of evil.

When the sadness of the world creeps into our own eyes, and we are plagued with our own inadequacy for these violent times which try and test our souls, stand Thou in splendor before us like the light, like love all lovely, like the morning which slays the shadows.

We ask it in the name of that One whose life is the light of the world. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 20, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H.R. 4012. An act to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes;

H.J. Res. 322. Joint resolution for the relief of certain aliens;

H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 95) authorizing reprinting of House Document 451 of the 84th Congress, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred to the Committee on the Judiciary:

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H.R. 4012. An act to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes;

H.J. Res. 322. Joint resolution for the relief of certain aliens;

H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 95) authorizing reprinting of House Document 451 of the 84th Congress was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made," by Doctor Charles J. Zinn, law revision counsel of the House of Representatives Committee on the Judiciary, as set out in House Document 451 of the Eighty-fourth Congress, be printed as a House document, with emendations by the author and with a foreword by Honorable EDWIN E. WILLIS; and that there be printed one hundred and thirty-two thousand additional copies to be prorated to the Members of the House of Representatives for a period of ninety days after which the unused balance shall revert to the Committee on the Judiciary.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Foreign Relations Committee.

The Committee on Finance.

The Business and Commerce Subcommittee of the Committee on the District of Columbia.

The Insurance Subcommittee of the Committee on Post Office and Civil Service.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON THE 1958 REVISION OF EAST-WEST TRADE CONTROLS

A letter from the Under Secretary for Economic Affairs, Department of State, transmitting, pursuant to law, a report on the 1958 Revision of East-West Trade Controls (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON EXAMINATION OF PRICING OF DEPARTMENT OF NAVY CONTRACTS WITH WESTINGHOUSE ELECTRIC CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of pricing of Department of the Navy contracts with Air Arm Division, Westinghouse Electric Corp., Baltimore, Md., dated April 1959 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the East Texas Chamber of Commerce, Longview, Tex., favoring a balanced Federal budget; to the Committee on Appropriations.

CONCURRENT RESOLUTIONS OF SOUTH CAROLINA LEGISLATURE

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of my colleague, the junior Senator from South Carolina [Mr. THURMOND], and myself, I present two concurrent resolutions of the South Carolina Legislature. I ask unanimous consent that they be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolutions were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"CONCURRENT RESOLUTION PROTESTING ANY REDUCTION IN THE STRENGTH OF THE ARMED FORCES OF THE UNITED STATES AND ALSO PROTESTING ANY APPEASEMENT OF THE RUSSIANS BY THE UNITED STATES LEADING TO THE WITHDRAWAL OF OUR FORCES FROM WEST BERLIN

"Whereas it is the sense of this body that U.S. Government is contemplating a reduction in the U.S. Army of one division, a reduction in the combat strength of the U.S. Marine Corps of 12½ percent, and also reduction in the strength of the U.S. Navy and the U.S. Air Force; and

"Whereas it is the sense of this body that such reductions would seriously imperil the national security of the United States, particularly in view of the Soviet deadline of May 27 for withdrawal of our Armed Forces from West Berlin: Now, therefore, be it

"Resolved by the house of representatives, the senate concurring, That this body is unalterably opposed to any further reduction in the Armed Forces of the United States at the present time. It is the belief of this body that the people of South Carolina and of the United States do not favor appeasement of the Russians in any manner whatsoever, particularly in regard to any appeasement which would lead to Soviet control of West Berlin; be it further

"Resolved, That copies of this resolution be forwarded to the Members of the congressional delegation of the State of South Carolina, to the President, the Secretary of State and the Secretary of Defense of the United States of America."

State of South Carolina, in the house of representatives, Columbia, S.C., April 17, 1959.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina House of Representatives and concurred in by the senate.

INEZ WATSON,
Clerk of the House.

To the Committee on Interior and Insular Affairs:

"CONCURRENT RESOLUTION MEMORIALIZING THE CONGRESS AND PRESIDENT OF THE UNITED STATES TO SAFEGUARD AND PRESERVE ESTABLISHED STATE AND INDIVIDUAL RIGHTS TO THE USE OF WATER WITHIN THE SEPARATE STATES

"Whereas recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States, and persons, of rights which the States and persons previously enjoyed in regulating and controlling the use of the water in the respective States; and

"Whereas these decisions and rulings are a part of a general pattern developing gradually into Federal supremacy and usurpation over water which, if continued, will destroy individual and States' rights over water and substitute in lieu thereof an all-powerful centralized government control: Now therefore, be it

"Resolved by the house of representatives, the senate concurring, That the President and the Congress of the United States be, and they are hereby, urged and requested to take all necessary action: (1) Preserve the water rights of the individual and of the States and prevent Federal usurpation of those rights; (2) see that legislation is initiated and supported to return to the individuals and to the States the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights, to the use of water, by a State and an individual, should not be taken away without due process of law and adequate compensation; be it further

"Resolved, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, chairman of the U.S. Senate and House Committees of Interior and Insular Affairs, U.S. Senator OLIN D. JOHNSTON, U.S. Senator J. STROM THURMOND, U.S. Representative WILLIAM JENNINGS BRYAN DORN, U.S. Representative ROBERT T. ASHMORE, U.S. Representative ROBERT W. HEMPHILL, U.S. Representative JOHN L. MCMILLAN, U.S. Representative L. MENDEL RIVERS, and U.S. Representative JOHN J. RILEY."

State of South Carolina, in the house of representatives, Columbia, S.C., April 17, 1959.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina house of representatives and concurred in by the senate.

[SEAL] INEZ WATSON,
Clerk of the House.

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of South Carolina, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, I have received a letter from the Honorable Robert B. Duncan, Speaker of the House of Representatives of the State of Oregon, in which he advises me he has the honor to transmit House Joint Memorial 7, urging that efforts be made toward the enactment of legislation by Congress to aid in the construction of a suitable Champoeg Memorial by the National Park Service and the maintenance of the same as a national monument.

Mr. President, I ask unanimous consent that House Joint Memorial 7 of the Oregon Legislature be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

ENROLLED HOUSE JOINT MEMORIAL 7

To the Honorable Fred A. Seaton, Secretary of the Interior, and the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas at Champoeg, Oreg., on the bank of the Willamette River, the State of Oregon now has a small tract of land purchased as a nucleus of a memorial to the pioneers who established at that spot the first orderly government in what is now the State of Oregon, a memorial that should become the shrine of the great northwest territory which was then embraced within the Oregon country, such territory embracing what now constitutes the present States of Oregon, Washington, and Idaho, and that part of the States of Montana and Wyoming lying west of the summit of the Rocky Mountains, and containing over 300,000 square miles; and

"Whereas in 1929 the Oregon Legislature passed Senate Joint Resolution 24 memorializing the Congress to establish Champoeg as a national shrine, and the Advisory Board to the National Park Service in response thereto made a report in 1939 declaring that Champoeg possessed exceptional value as commemorating and illustrating the history of the United States and the Secretary of the Interior thereupon designated Champoeg Park as a site of national historical significance: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon, the Senate jointly concurring therein, That the people of the State of Oregon approve this recognition by the Federal Government of the importance of Champoeg and urge upon their Senators and Representatives and the Secretary of the Interior that efforts be made toward the enactment of legislation by Congress to aid in the construction of a suitable Champoeg memorial by the National Park Service and the maintenance of the same as a national monument; and be it further

"Resolved, That copies of this memorial be sent to the President of the United States, the Secretary of the Interior and to all Members of the Oregon congressional delegation."

Adopted by house March 27, 1959.

RUTH E. RENFROE,
Chief Clerk of House.
ROBERT B. DUNCAN,
Speaker of House.

Adopted by senate April 3, 1959.

WALTER J. PEARSON,
President of Senate.

RESOLUTION OF REPUBLICAN WOMEN'S CLUB OF CANTON, N.Y.

Mr. JAVITS. Mr. President, I present a resolution adopted by the Republican Women's Club, of Canton, N.Y., supporting the President's proposal to balance the budget and to apply any surplus to the retirement of the national debt. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF REPUBLICAN WOMEN'S CLUB, OF CANTON, N.Y.

At the April 7 meeting of the Republican Women's Club, of Canton, N.Y., a resolution was voted upon and unanimously passed as follows:

Resolved, That the Republican Women's Club, of Canton, N.Y., go on record in support of President Eisenhower's proposal to balance the budget and to apply any surplus to retirement of the national debt;

Resolved further, That the Republican Women's Club, of Canton, N.Y., assure our representatives on the Federal and State levels of our active support in their effort to reduce Government spending and balance the budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 498. A bill to extend the life of the Alaska International Rail and Highway Commission (Rept. No. 214).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with amendments:

S. 1315. A bill for the incorporation of the Blue Star Mothers of America, Inc. (Rept. No. 215).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Christian A. Herter, of Massachusetts, to be Secretary of State.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE:

S. 1744. A bill for the relief of Ali Mohammed Ayesh; and

S. 1745. A bill for the relief of Oshkosh Parking, Inc.; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1746. A bill for the relief of Ciro Picardi; to the Committee on the Judiciary.

By Mr. KUCHEL (for himself and Mr. ENGLE):

S. 1747. A bill to create a new and separate judicial district in California and to create a new division for the northern district in said State; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 1748. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. CURTIS:

S. 1749. A bill to encourage the use of Government-owned surplus agricultural commodities for research and development of new industrial uses of such commodities; to the Committee on Agriculture and Forestry.

S. 1750. A bill to amend the Internal Revenue Code of 1954 to permit amortization over a 60-month period of facilities to produce new industrial products derived from certain agricultural commodities; to the Committee on Finance.

By Mr. O'MAHONEY (for himself and Mr. MCGEE):

S. 1751. A bill to place in trust status certain lands on the Wind River Indian Reservation in Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 1752. A bill for the relief of Stamatina Kalpaka;

S. 1753. A bill for the relief of James Foote, George Foote, and Charles Bearstail;

S. 1754. A bill for the relief of Alice P. Stenborg; and

S. 1755. A bill for the relief of Jane Jast Delorme; to the Committee on the Judiciary.

S. 1756. A bill to amend section 3951 of the Revised Statutes so as to authorize the payment of additional compensation to the holders of contracts for carrying the mails, who incur additional costs because of increased prices or because of road conditions due to unfavorable weather; to the Committee on Post Office and Civil Service.

By Mr. LANGER (for himself and Mr. YOUNG of North Dakota):

S. 1757. A bill to modify the general comprehensive plan for flood control and other purposes in the Missouri River Basin in order to provide for certain payments to the cities of Mandan and Bismarck, N. Dak.; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 1758. A bill for the relief of Joana Krasnauskiene; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota:

S. 1759. A bill to amend section 125 of the Soil Bank Act which prohibits the production of certain crops on Government-owned lands; to the Committee on Agriculture and Forestry.

By Mr. YOUNG of North Dakota (for himself and Mr. LANGER):

S. 1760. A bill to provide that the United States shall return to the former owners oil and gas rights in certain lands acquired for the Garrison Dam and Reservoir project, North Dakota; to the Committee on Public Works.

By Mr. MUNDT:

S. 1761. A bill to amend the Agricultural Act of 1949 (7 U.S.C. 1421) with respect to restrictions on sales by the Commodity Credit Corporation; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 1762. A bill for the relief of Mrs. Seto Shun Yee;

S. 1763. A bill for the relief of Capt. Wilford W. Horne; and

S. 1764. A bill to extend the Federal Tort Claims Act to members of the National Guard when engaged in training duty under Federal law, and for other purposes; to the Committee on the Judiciary.

By Mrs. SMITH:

S. 1765. A bill to authorize and direct the Tresaury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges; to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK:

S. 1766. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation and other disposal of property to tax-supported public recreation agencies; to the Committee on Government Operations.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey:

S. 1767. A bill for the relief of Polivos Stamatakos; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1768. A bill for the relief of San Han Ming; to the Committee on the Judiciary.

RESOLUTIONS

Mr. PROXMIRE submitted a resolution (S. Res. 105) directing a study of the private investment of American capital abroad, which was referred to the Committee on Banking and Currency.

(See the above resolution printed in full when submitted by Mr. PROXMIRE, which appears under a separate heading.)

Mr. JAVITS submitted a resolution (S. Res. 106) expressing the sense of the Senate that the people of all Ireland should have an opportunity to express their will for union by an election under the auspices of a U.N. Commission, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

ARCHIE L. DICKSON, JR.—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. EASTLAND submitted the following resolution (S. Res. 107); which was referred to the Committee on the Judiciary:

Resolved, That the bill (S. 1651) entitled "A bill for the relief of Archie L. Dickson, Jr.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitable due from the United States to the claimant.

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO RESTRICTIONS ON SALES BY COMMODITY CREDIT CORPORATION

Mr. MUNDT. Mr. President, I introduce for appropriate reference a bill which in my opinion will assist in bringing to the farmer a better price for the crops which he raises and can sell on the open market.

This bill will raise the percent from 5 percent to 15 percent above the support price at which the Commodity Credit Corporation must sell the basic agriculture products which they have in storage. In my opinion this will provide more room for the traders to operate in and will result in their buying more of the basic products on the open market at better prices. This should create a more competitive market for farm products thus bringing increased income to the farmer.

It should also reduce substantially the amount of basic agriculture crops which the Commodity Credit Corporation now takes under its loan program. This—in

turn—should result in a considerable savings of the taxpayers money now being used for storage rentals.

I hope this proposed legislation will receive early consideration in the committee and the Senate so that it can become effective before harvest time 1959.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The bill will be received and appropriately referred.

The bill (S. 1761) to amend the Agricultural Act of 1949 (7 U.S.C. 1421) with respect to restrictions on sales by the Commodity Credit Corporation, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

USE OF SURPLUS FEDERAL PROPERTY BY PUBLIC RECREATION AGENCIES

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to permit the use of surplus Federal property by public recreation agencies.

Pennsylvania has a park expansion program which has attracted nationwide attention. There are 66 State parks now in operation. Five more are under construction, and several more are on the drawing boards. Particular emphasis is being placed on constructing new parks near the State's population centers. We have the second most heavily used State park system in the Nation, second only to New York, and we have 148 State forest recreation areas, a number second only to Oregon.

In carrying out this remarkable program, the opportunity to obtain surplus Federal property would be extremely helpful. Under the Clarke-McNary Act, we have authority to obtain such equipment for our fire-fighting activities, which protect 15 million acres of forest. The bill which I am introducing today would extend this authority to equipment for other recreational purposes, and would mean much to carrying out our park expansion program with all possible speed.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1766) to amend the Federal Property and Administrative Services Act of 1949 to permit the donation and other disposal of property to tax-supported public recreation agencies, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Government Operations.

STUDY OF PRIVATE INVESTMENT OF AMERICAN CAPITAL ABROAD

Mr. PROXMIRE. Mr. President, I submit, for appropriate reference, a resolution providing for an investigation of the consequences of the investment of American private capital abroad.

This would be an investigation recognizing the many massive values of the investment of American capital abroad, but determined to get the facts of some of the very grave problems it provokes.

Frankly, this investigation has been inspired by a series of recent reports that there have been heavy and substantially increasing purchases by American companies of foreign plants. In at least two industries vital to employment in my State—machine tools and tractors—American companies have recently in effect transferred part of their production from Wisconsin to foreign countries. Obviously this means that jobs formerly held by Wisconsin workingmen are now held by working people in other countries. In the case of a single Wisconsin company it seems that the 40 percent of production that used to go into export is now being produced in a foreign factory, with a loss of more than 2,000 Wisconsin jobs.

Although recently about 75,000 people have been out of work in Wisconsin, our unemployment problem has been less serious than that in some other States.

But, Mr. President, reliable reports indicate that this export of American jobs has just begun. The combination of available American capital, American automation and know-how, fused with lower foreign wages, is not only cutting a terrible swath in the export market for American factories; it is beginning to cost them some of their domestic U.S. markets.

I recognize, Mr. President, that there is much to be said in favor of investment of American private capital abroad. It is to the great interest of America, and indeed the free world, to assist the other countries of the free world to grow stronger economically. Unquestionably this investment is accomplishing that objective. It is doing so at no cost to the American taxpayer. And to date the cost of building up the economies of our friends throughout the world by Government appropriations has been immensely costly in American taxes, and promises to continue to be for some time in the future. Just as I favor Government loans to foreign countries over grants, I emphatically prefer private capital investment to Government investment. It is more efficient. It is subject to the iron discipline of the profit system, so it will not be wasteful.

Mr. President, this is exactly the kind of clash between competing values and interests that can best be settled by getting all the facts. Congress should find a way to encourage private American investment abroad while providing some kind of proper safeguards for American jobs.

It is for this reason, Mr. President, I today propose a Senate investigation of the full consequences of the investment of American capital abroad. Because this is an inquiry that might very seriously affect our monetary policy as well as our tax, tariff, labor, regulatory, and foreign policies, I have proposed that the Banking and Currency Committee conduct the investigation.

Mr. President, a number of exceedingly thoughtful reports and analyses have been made on this situation. The Wall Street Journal has carried two unusually comprehensive stories; one featured the machine tool industry and one tractors. Both of these articles do a first class job of setting forth the burdens and benefits of this development, and I ask unanimous consent that they be printed in the RECORD following my remarks. One is from the March 17 issue; the second appeared just last Monday, April 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. PROXMIRE. Mr. President, a recent article in the Foreign Commerce Weekly shows how American companies have been setting themselves up inside the European Common Market in growing numbers; and I ask unanimous consent that appropriate excerpts from this article be printed in the RECORD following my remarks also.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. PROXMIRE. Mr. President, in the April 6 issue of the Washington Post, Harold Dorsey writes an excellent, compact analysis of this problem, and I ask unanimous consent that this article be printed in the RECORD. A March 26 lead editorial in the Wall Street Journal vigorously expresses the viewpoint that this trend to invest American capital abroad emphasizes the importance of price stability in America. I ask unanimous consent that this editorial also be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 4 and 5.)

EXHIBIT 1

[From the Wall Street Journal, Mar. 19, 1959]

MACHINE TOOL TACTICS—MORE MAKERS BUY INTO FOREIGN FIRMS AS HIGH PRICES SLOW THEIR SALES—OTHER U.S. PRODUCERS AGREE TO IMPORT EUROPEAN TOOLS; COMMON MARKET IS A SPUR—AUTO, AIR FORCE BUYING LAGS

(By Harlan Byrne)

Sundstrand Machine Tool Co., of Rockford, Ill., soon will anounce purchase of a controlling interest in a French tool company. The French firm will be expanded to turn out Sundstrand tools for the European market.

Later this month, a freighter bearing 50 English-made engine lathes, a basic machine tool, will dock in New York City. Oddly enough, the shipment, worth about $300,000, will be addressed to an American firm that also makes lathes. The firm—Clearing Machine Corp., of Chicago, a division of U.S. Industries, Inc.—will sell the English lathes in this country and expects to import many more.

These divergent moves have one thing in common. They're both symptomatic of the growing inability of U.S. machine tools—and many other manufactured goods, for that matter—to compete pricewise with foreign-made products. A major reason is fairly well known: Labor costs in the United States are higher—they're two to four times those of Europe, the area providing the tool makers' heaviest competition.

Several industries, such as textiles and electrical equipment, have been complaining of growing competition from imports for years. But imports' impact more recently has been spreading to automobiles, steel, and a number of other industries. Ernest R. Breech, chairman of Ford Motor Co., recently declared that swift industrial development and cost advantages in foreign countries are threatening both the oversea and domestic markets of American industry.

COMMON MARKETS IMPACT

Machine tool builders are losing ground steadily in foreign markets—so far a mere

foretaste of a drastic setback they foresee in a few years. The European Common Market, for instance, is a major worry. The market nations—France, Germany, Italy, Belgium, The Netherlands, and Luxembourg—plan progressively to eliminate tariff barriers among themselves, but to maintain a common tariff front against other nations. This will make it easier for West Germany to sell machine tools in France, for instance, but relatively more difficult for a U.S. firm to do so.

Growing numbers of American firms are trying to regain lost business, and to head off future losses, by producing machine tools abroad, either by purchasing foreign companies or by setting up new plants overseas.

"There are so many Americans running around over there, the sale prices on European firms are going sky-high," grumbles one Ohio machine-tool maker. So far, he has resisted the urge to go deeply into overseas manufacturing. Reportedly, one U.S. company recently backed away from an acquisition in Europe because of the high asking price.

Meantime, imported tools flowing into the United States account for a growing share of domestic sales. Often, they undersell U.S. machines by 25 percent to 40 percent. For example, one type of small American lathe, without electrical apparatus, carries a list price of $5,145. It faces competition from a comparable English lathe that sells in this country for about $3,600.

EIGHT THOUSAND DOLLARS VERSUS ELEVEN THOUSAND DOLLARS

Francis J. Trecker, president of Kearney & Trecker Corp. of Milwaukee, says a small-size West German milling machine is coming into the United States for $8,000, compared with $11,000-or-so for its American counterpart. The competition is equally severe for American tools selling in foreign markets.

Some toolmen loudly complain the rising tide of imports ultimately will cripple American machine tool building capacity. The National Machine Tool Builders Association even now is gathering data for a possible drive in Washington for higher tariffs, a stronger "Buy America" Act or both.

Present tariffs have little effect on imports; the 25 percent to 40 percent price advantage enjoyed by foreign tools takes into account current tariffs, which average about 15 percent. The Buy American Act as it now stands provides that the Government, in buying for its own needs, must purchase U.S.-produced goods if the price of the domestic product is no more than 6 percent above the price of a comparable import. This act obviously is of little help to U.S. machine-tool builders now.

U.S. machine-tool builders, however, are not of one mind on tariffs. Some of the bigger companies, as they push into foreign operations themselves, are tending more and more toward freer trade. But most of the U.S. firms are relatively small and have neither the inclination nor the funds to get into overseas production; this group tends to be highly protectionist.

Especially alarming to this group is talk—to date that's all it is—that American producers setting up shop abroad before long may begin selling in this country the tools they make overseas.

"We would do that only as a last resort," claims an executive of one Cincinnati tool builder which recently completed a new plant in England. Executives of other tool firms involved in foreign manufacturing say they have no such plans, but infer it could happen later. Another Ohioan, whose firm manufactures tools abroad, but has no intention of shipping any back to the United States, says privately, "It will be a sad day for the machine-tool industry when American firms start selling their own foreign-made tools in the United States." But such sentiments aren't stopping toolmakers from importing products of foreign firms.

The U.S. toolmakers' price problem has been growing in the past decade, the average price of American-made tools has doubled.

"It looks as if we're pricing ourselves out of world markets," says Donald H. McIver, vice president of Detroit's Ex-Cell-O Corp. It's a comment being heard over and over nowadays.

True, the trade woes of machine tool men are not unique, as executives in such major fields as steel, electrical equipment, and textiles will testify. But in few basic industries is the trouble more acute. It's especially painful now because tool demand in this country, overall, is less than half what it was at peacetime high 3 years ago. And domestic prospects are far from bright at the moment.

While most industries have begun to climb out of the recession, machine tool demand has risen only slightly in recent months, following a 2-year-long tumble. The industry is shipping tools now at only about 30 percent of capacity.

To be sure, the industry is relatively small in comparison with autos or steel, having a capacity to turn out about $1.2 billion of tools annually. But it's a key industry, for machine tools are the muscles of manufacturing. Just about every product involves the use of a machine tool in its manufacture or delivery.

For instance, they make the working parts of household conveniences such as the telephone, television, radio, washing machine, refrigerator, and vacuum cleaner. Autos, locomotives, airplanes, and missiles require machine tools. On factory production lines, these power-driven tools, in a variety of types, perform basic metal cutting and shaping tasks—boring, grinding, turning, milling, planing, shearing, or stamping away at raw metal.

A few statistics show the impact of foreign competition. Prior to World War II, imports were insignificant. Five years ago, they were less than 3 percent of domestic shipments, after deducting exports. In 1958, they rose to nearly 7 percent and the ratio is expected to rise henceforth.

DOLLAR VOLUME DECLINES

Actually, dollar volume of imports last year declined to an estimated $30 million, from around $37 million in 1957, but the drop was less than 20 percent, compared with a slump of more than 50 percent in domestic shipments, from $972 million to $447 million.

The record year for imports was 1952, when pellmell Korean war buying brought on shortages, attracting a $49 million flood of foreign tools. "Tool buyers took anything they could get their hands on in those days," recalls Ludlow King, executive vice president of the National Machine Tool Builders Association in Cleveland. But by 1955, imports had slipped back to $16 million. They jumped 50 percent both in 1956 and 1957.

Before World War II and in the early postwar years, U.S. toolmen on the average rang up about 25 percent of their total sales in the export market. In recent years, exports have dwindled to about 10 percent of the total, and further erosion is expected. For some companies, exports have nearly evaporated.

Mr. Trecker says that in the late 1930's around 40 percent of Kearney & Trecker's volume was exports, compared with around 2 percent or 3 percent now. "It's getting to be absolutely impossible to sell in foreign markets unless you have a foreign plant," he says.

"As recently as 10 years ago, about one-fourth of our volume was exports," relates K. M. Allen, executive vice president of Rockford Machine Tool Co. "Now it's down to 5 percent or less." Mr. Allen is one of the Yanks who recently has been touring Europe, not merely to see the sights. "We're not big enough to build our own plant, but we would like to buy a controlling interest in a small firm," he says.

TOP PAY: 70 CENTS AN HOUR

In England, Mr. Allen was "amazed" to find the top pay for machinists in a new American-owned plant was 70 cents an hour, compared with an average of about $2.60 or more in the United States. "You can buy iron in England for 8½ cents a pound, compared with 20 cents here," he adds.

Manufacture of American tools abroad is not new, of course. For years, a number of U.S. companies have had some of their tool lines made in Europe, through licensees. And a handful of firms, such as Cincinnati Milling Machine Co. and the La Pointe Machine Tool Co. of Hudson, Mass., have had their own overseas plants. But by U.S. standards the plants were small. Within the past 3 years, American tool men have stepped up overseas manufacturing. They've either expanded or built their own plants, or bought into existing firms.

Item: Last July, Kearney & Trecker acquired a controlling interest in a big English firm, C.V.A. Jigs, Moulds & Tools, Ltd. The English firm presently employs 2,300, while Kearney & Trecker, ironically, is down to 1,300 workers, from 3,000 about 2 years ago.

Item: Ex-Cell-O recently broke ground near Eislingen, West Germany, for a new machine-tool plant. The new plant will house expanded operations of a firm acquired last September. The company was Werkzeugmaschinenfabrik Geoppingen G.M.B.H., a maker of lathes and planers. The name has been changed to Ex-Cell-O G.M.B.H. "Higher costs forced us overseas," is the laconic explanation of Mr. McIver, the Ex-Cell-O vice president.

Item: Landis Tool Co., of Waynesboro, Pa., last fall bought out John Lund Co., Ltd., of Keighley, England.

Item: Last year, 126-year-old Brown & Sharpe Manufacturing Co., Providence, R.I., put in operation a new plant in Plymouth, England. "During many years before the war, exports were as much as 30 percent of our business," recalls Henry S. Sharpe, Jr., president. "Now they're below 10 percent. You have to make many of your tools abroad nowadays if you're going to be represented in foreign markets."

Item: Cincinnati Milling 2 years ago expanded its English plant and now ponders expansion of its 4-year-old plant in Holland. And other U.S. toolmakers reportedly will be announcing foreign ventures this year.

JOINING FORCES

In addition, more and more firms are looking for tieups to sell and manufacture foreign tools in this country. Most imported tools are sold through established U.S. distributors, who usually handle a number of American lines, too. But, more and more, the toolmakers themselves are joining forces with foreigners.

The import agreement made by Clearing Machine Corp. appears to be precedent-setting in size and portent.

Clearing Machine signed the sales pact with T. S. Harrison & Sons, Ltd., Heckmondwike, England. The Harrison lathes will be sold in the United States and Mexico by Clearing's sales staff, for a percentage of the selling price. The lathes are smaller than the ones made by Clearing. In short, the Chicago firm decided the easiest way to expand its line was to sell the Harrison lathes.

"We think this deal will shake some of our buddies in the machine tool business down to their heels," comments a spokesman. "Actually, it should start a trend. We think a lot of people have been waiting around for an American tool builder to break the ice." The spokesman plainly leaves the impression

the firm expects to push the imported tools vigorously.

For the future, significantly, Clearing and Harrison are planning to team up on new designs for machine tools. The newer tools would be built in England and shipped into the United States.

Another midwestern tool executive concedes his firm may be forced into a similar transaction. "Unless our business improves a lot, we may have to line up with a foreign firm on an import deal," he says. H. Ezra Eberhardt, chairman of Gould & Eberhardt, Inc., Irvington, N.J., says his firm soon will announce an agreement involving a foreign tool linkup, although he declines to specify whether it will be an import or export arrangement.

Regarding the Clearing-Harrison alliance, still another Midwesterner comments: "It's wrong, as far as I'm concerned, for a domestic builder to import the products of a foreign builder."

In various types of recent agreements, several small U.S. firms have arranged to make or sell foreign tools in this country. In most cases, however, the number of tools involved so far is small. The companies include Fellows Gear Shaper Co., Springfield, Vt., and Cone Automatic Machine Co., Inc., Windsor, Vt.

Fortunately for the big majority of U.S. tool companies, imports so far have been concentrated heavily in a few lines of tools. Chiefly, imports have been small sizes of engine lathes, radial drills, shapers, and milling and grinding machines. In 1957, for example, lathes accounted for more than 20 percent of total imports.

THE LARGER LINES

In the larger, more complicated tool lines, American machines still are preferred because of higher and more accurate production capability, it's generally acknowledged. This includes the types of high speed tools that are used in mass production of major automotive components, such as engine blocks and transmission housings. But the Europeans have been narrowing the technical gap on larger tools in recent years, American producers concede. And more competition is implied for the future.

World War II, of course, destroyed much of the prewar European machine tool capacity, particularly in Germany. After the war, European tool men were pressed to meet demand in their own countries. U.S. firms stepped in to fill many of these needs, just as they had done extensively before the war. But as Europeans have recovered from the war and expanded, they've gained a clear-cut advantage, largely because of the cost-price upswing in this country.

There's no question the foreign trade pinch would be less painful if domestic demand were more robust. At the moment, the majority of U.S. tool executives can see little more than a modest recovery for the remainder of this year.

To see what's happened, take a close look at statistics of the National Machine Tool Builders Association, covering the metal cutting segment of the industry. The other segment is metal forming. But statistics on the forming end of the business have been compiled for only 2 years.

Beginning in the last half of 1955 and extending through the early part of 1957, incoming orders for metal-cutting tools rolled in at a record peacetime rate. Orders totaled $927 million for the year 1955, followed by $924 million in 1956. The following year they fell to $520 million. Last year they plunged to around $281 million, the lowest since 1949. Many companies report their incoming orders in 1958 were the lowest since before World War II.

COMING FROM LOW LEVEL

For 1959, the majority of toolmen see little more than a 25-percent gain in new orders. And while 25 percent sounds like a big gain, it's coming from a low level.

"If you're operating at only 25 percent of capacity and have a 50-percent stepup, for example, you still would be operating only at 37½ percent of capacity," comments an officer of Giddings & Lewis Machine Tool Co., Fond du Lac, Wis.

Why the slow recovery? There are a number of reasons. For example, in late 1955 and early 1956, the auto companies went on a tool-buying spree. Reportedly they placed close to $500 million in new orders in a 6-month period.

The auto companies now are buying new tools in comparatively small volume. "Detroit is dead compared with 3 years ago," observes one Illinois toolbuilder. One reason: The auto companies in the past year have resorted increasingly to rebuilding of older tools to meet some of their requirements for new production facilities.

Toolmen say that the big majority of retooling done by General Motors Corp., Ford Motor Co., and Chrysler Corp. for the new small cars has consisted of rebuilding older machines. The auto companies either do the work themselves or, more often, give the business to a machine-tool company at half or less the price of a comparable new tool.

AIR FORCE CUTS BUYING

Also, during the tool-buying spree of 1955 and 1956, the Air Force was a big buyer of large machines for turning out aircraft components. In early 1955 and 1956, the Air Force placed something like $150 million of orders, it is estimated. But now the Air Force is buying few tools. Missiles are replacing aircraft. Production still is relatively low and requires more metal fabrication than it does metal cutting and forming, for example.

Other metalworking manufacturers generally were buying tools for expansion at a fast pace in 1955 and 1956. Now they have excess capacity. There's no evidence yet that manufacturers generally will embark on another major round of expansion—and thus tool buying—before 1960.

"Recovery in the machine-tool business has a long way to go," sums up Frederick V. Geier, Cincinnati Milling Machine chairman.

EXHIBIT 2

[From the Wall Street Journal, Apr. 20, 1959]

TRAVELING TRACTORS—PRODUCERS SPUR IMPORTS FROM THEIR FOREIGN PLANTS, CITE SAVINGS—HARVESTER GETS FIRST UNITS—OLIVER SEEKS FOREIGN TIE—CASE EXPANDS IN FRANCE—THE UAW STARTS TO WORRY

(By John F. Lawrence)

At a pier in Jacksonville, a crew of husky Negro stevedores was busy a few days ago unloading a shipment of bright red farm tractors from the hold of the British freighter, *Manchester Merchant*.

This work scene in the warm Florida sunshine went practically unnoticed. The shipment was small—only 12 tractors. And the big farm equipment factories in the North were busy with their own affairs turning out a heavy flow of equipment for farm needs this summer.

These 12 tractors, however, have a special significance. They are the first farm machines that International Harvester Co., the world's largest maker of such equipment, has imported from abroad. The company will bring in 300 more between now and summer—all made in Harvester's factories overseas. And that's just the start, company officials predict.

A GROWING CROWD

Harvester is not alone in this endeavor. Ford Motor Co.'s tractor division and Massey-Ferguson, Ltd., of Toronto already are active importers. And now three other major farm equipment companies are considering similar steps. J. I. Case Co., the big Racine, Wis., producer, probably will be next to take the plunge. Both Oliver Corp., of Chicago, and Minneapolis-Moline Co., Minneapolis, have executives abroad scouting the prospects.

It's a quiet trend, so far; total imports last year were only $23 million, compared to total U.S. production of farm equipment of $1.5 billion. But it holds dramatic possibilities, particularly for American farmers who might expect to gain some of the purchasing economies from low-cost European tractor production that buyers of small foreign cars now enjoy.

Already, a few farmers are beginning to gloat over the bargains they've gotten. "I figure I saved about $1,000 over U.S.-made models," says Paul H. Betts of Kewanee, Ill., who bought a $3,100 imported Fordson tractor a while back.

SOME WILL LOSE

The import possibilities aren't nearly as pleasant for the 100,000 workers in America's farm equipment factories. Imports last year were up 77 percent from 1957 and were nearly six times as large as in 1952. It is estimated that 1,500 more men would have been needed in factories here if the machinery imported in 1958 had been produced in the United States.

"It's the company's (International Harvester) obligation to keep all the employment in this country it can," snaps Tony D'Allesandro, president of United Auto Workers' Local 1307 at Harvester's big West Pullman tractor parts plant in Chicago. His chief, UAW Vice President Duane "Pat" Greathouse, talks of the need of a "comprehensive study of the import problem" and mentions tariffs as a possibility. (Farm equipment now comes in duty free.)

Much lower labor costs abroad, of course, provide the main impetus for the import surge. Hourly wage rates in European farm machinery factories are as much as 74 percent below those here. Harvester, for example, pays 82 cents an hour in Great Britain, 67 cents in Germany, and 64 cents in France. It pays $2.59 in the United States. In addition, Harvester's British employees work a 44-hour week compared with the standard American 40-hour week. Harvester says fringe benefits also are lower at its foreign plants.

EFFECTS ON SUPPLIERS

For American companies with factories abroad, any increase in imported farm machinery will probably consist of shifting orders and production from one plant to another. But the impact on companies without extensive foreign operations may be much more severe. Also, there is the possibility of less business for U.S. producers of steel, castings, paint, and the dozens of other components which go into farm tool assemblies.

The tractors being brought in this year by American companies are not directly competitive with U.S. models, being either smaller or larger than their American counterparts, much as General Motors Vauxhalls and Opels have little similarity to Pontiacs and Buicks. But if the expected economies of foreign production prove out, there is nothing to prevent the European factories of U.S. companies from switching to tractor models identical with those now being made in the United States. At the present stage, in fact, tractor imports bear a marked similarity to the foreign-car situation of 5 years ago, when import volume was only about 30,000 cars a year. Since then car imports have gained substantially every year and are expected to reach nearly 500,000—hardly a reassuring comparison for America firsters in the tractor business.

International Harvester's plan of operation is to concentrate on selling its imported tractors in the Southeast at first and then broaden the program to other parts of the country. Tractors probably won't be the only machines involved. "I think you'll see

other items coming in," says Mark V. Keeler, farm-equipment vice president. Already plans are being considered for hay balers from the company's French plant and grain planters from its Swedish factory.

J. I. Case's energetic president, Marc B. Rojtman, says: "There's a strong possibility we'll import a small diesel tractor; we'll certainly make the decision by yearend." Case is boosting the annual capacity of its French plant to 12,000 units from 5,000, partly to take care of this possible export volume to the United States. This will double the French factory's current 1,100 employment. Case's payroll in the United States at the moment is about 14,000, in comparison.

Ford started importing tractors in 1953 with a large diesel model manufactured in the firm's English factory. Late last year Ford began bringing in a second diesel model, smaller than the original. It expects its imports, as a result, to climb from the 2,860 units brought in last year.

Oliver Corp. is studying the possibilities of a joint venture with a foreign firm to produce Oliver equipment for import into the United States. Minneapolis-Moline, on the other hand, is involved in a search for low-priced foreign component parts. "We've studied world purchasing for 4 years, but we're just now getting serious," says M-M's president, J. Russell Duncan.

Canadian-based Massey-Ferguson and its major U.S. subsidiary, Massey-Ferguson, Inc., in Racine, probably are furthest along in international procurement practices. "We're working toward a worldwide network of integrated manufacturing facilities that will enable us to produce whatever we need wherever we can do it most economically," explains Albert A. Thornbrough, president, from his Toronto office.

Example: The company buys a transmission from its plant in France and a rear axle from one in England for a tractor it turns out in Detroit.

TWO ABSTAINERS

Of the Nation's eight major producers, accounting for 60 percent of domestic sales of machinery to farmers, only Allis-Chalmers Manufacturing Co., Milwaukee, and Deere & Co., in Moline Ill., insist they aren't giving any consideration to importing farm equipment. But Deere which with Harvester sits atop the heap in U.S. sales, is expanding a 2-year-old German operation. It denies intentions of aiming shipments this way but one outside company supplier insists, "I'll give you odds that's part of their purpose."

Even small implement makers are interested. The head of one Missouri concern reports he's already buying 40 percent of his heavy chain needs, used in the tractor hitches on implements, in West Germany. And he confides, "I'm working on a deal to make a license arrangement with a foreign firm to sell my equipment overseas." He could, if competition forced it, turn to importing his own products from this foreign concern, he says.

There's evidence, too, of increased competition from machinery bearing truly foreign trademarks. David Brown, Ltd., of London has sold about 200 tractors through a west coast distributor in the last 5 years. Now it plans to step up sales efforts. The distributor, Tap Equipment Co., of Los Angeles, plans to increase total dealerships in four Far Western States to 50 from a current 15 by yearend.

What sort of savings are possible with foreign production? Harvester figures its imported diesel tractor, priced at $2,802, would cost U.S. farmers as much as $3,350 if it were made here, assuming the tooling were available.

"We pay more for tires overseas," says Jack L. Camp, Harvester vice president of foreign operations, "and there's little overall savings in other materials. The difference is all in wages." There is less automatic machinery in the company's English plant, so 14 percent more manhours of labors are needed for each tractor, but, even at that, total labor cost per unit is about 60 percent less than in the United States. It costs roughly $150 each to ship the tractors across the Atlantic.

EVEN LARGER SAVINGS

Cost advantages of the French hay baler which the company may introduce here look even more promising; $600 vs. $1,800 (after tooling up expenses in the United States).

Because of high gasoline costs in Europe, diesel-powered equipment is about all that is sold farmers there. This produces high volume—and low costs—on diesel engine parts in which U.S. manufacturers are increasingly interested. Minneapolis-Moline, looking for fuel pumping mechanisms for its domestic diesel tractors, thinks it can achieve savings of 30 percent under U.S. prices by buying abroad.

But price alone isn't the reason for the American companies' increasing stake in European production. Since the devastation of World War II, the market for farm machines abroad has increased year by year. U.S. companies have supplied this growing market both by exporting from American factories and setting up new factories abroad. Recently, export volume has been slipping: From $516 million in 1956, to $510 million in 1957 and $435 million last year. But sales from U.S. plants overseas have more than made up for this loss.

AN UNBROKEN RECORD

"We haven't missed once in the last decade in recording a 5 percent annual gain in overall foreign operations, despite the drop in the export portion," enthuses Harvester's Mr. Camp. The company last year produced 80 percent as many tractors overseas as it did in the United States. The total was under 10 percent in 1949, "and you could have put our 1939 production in your right eye," he says.

Actually, as its name indicates, International Harvester has produced some farm machinery abroad since the present firm was organized in 1902. But up to World War II, much of the equipment made abroad was not produced here. "It was geared to the needs of particular countries—a mower suited to the speed of a camel," a Harvester official explains. Harvester served foreign markets for tractors by exporting machines produced here.

But at the end of World War II there was a severe dollar shortage abroad and foreign nations were also trying to get on a self-sustaining basis. So they set up import restrictions. "It was a case of produce abroad or walk away from the business entirely," the Harvester official explains. The competitive advantage of producing abroad and shipping to the United States only now is becoming apparent, he adds.

Meanwhile the domestic industry has actually shrunk in size since the postwar tractor buying spree that saw more than 600,000 units move to farmers in 1951. Even an improved year in 1958 left tractor production at just 234,000 units. Trade officials figure industry tractor capacity is under 500,000 units a year now.

To get an idea how important foreign plants of U.S. concerns are in the world market, the top three Western Hemisphere firms in foreign tractor production, namely Massey-Ferguson, Ford, and Harvester, turned out about 182,400 tractors last year in England, France, and Germany. That's 53 percent of the 342,000 tractors produced by all companies, foreign and United States combined, in those key nations.

WORLD PRODUCTION

Figures on world farm tractor production are scarce. But Harvester, which is forming a worldwide statistics-gathering group within the company to serve its expanding international interests, makes these production estimates by major country (tractors provide the biggest single chunk of farm equipment sales):

Country:	*1958 production in units*
United States	234,000
Great Britain	140,600
West Germany	118,900
France	83,000
Italy	15,000
Sweden	8,000
Austria	5,000
Argentina	4,500
Canada	4,200
Australia	2,000
Yugoslavia	2,000
Total	617,200

(Production in the Soviet Union is unknown.)

One thing that has slowed development of foreign farm machinery concerns is that European farms, by and large, have remained small. The horse-drawn plow, an unusual sight on the Iowa countryside, is commonplace abroad. "The Continent hasn't produced bigger units needed for the bigger farms in volume," explains Harvester's Mr. Keeler. He figures they'll soon begin to, now that export markets are opening in Africa and South America.

With nearly half its capacity abroad, it's natural Harvester and others in the trade would find at least a few of their foreign products suitable for U.S. consumption.

Take the case of Ford. Until recently it had no domestic diesel tractor to offer. But farmers were clamoring for the huskier diesel engines, using cheaper diesel oil instead of gasoline, to pull bigger plows around their expanded acreages. The easy answer: Bring in an already successful overseas model.

A SMALLER RUNT

Or consider Harvester's plans. The runt of its domestic diesel line is a 53-horsepower, $4,400 unit. But some farmers seek a smaller one. So the company turned abroad. "It would cost us $35 million in tooling alone to start fresh and equip a production line for the unit here," says Vice President Keeler. It's costing nothing in tooling to import the item from England, he adds.

"Instead of picking the best city in the country in which to make a product, it's a case now of picking the best city in the world," sums up this official.

Planning production operations on a worldwide basis "avoids duplication and triplication of effort," observes Massey-Ferguson President Thornbrough. "I think you'll see more companies thinking in these terms," he adds.

The technique won't be limited to just the farm equipment industry, says Mr. Rojtman of J. I. Case, currently traveling abroad for the second time in 2 months. "The trend will cover 35 percent of all U.S. industry," he predicts.

Rising imports present some problems to the farm machinery trade. For one thing it appears certain to cut into sales of U.S.-made equipment, at least temporarily. Until 2 years ago Massey-Ferguson imported a tractor but then quit and turned to components instead. "The tractor was competing with existing Detroit capacity," explains Mr. Thornbrough. "That's the problem some of these others are going to run into," he warns.

NEW PRODUCTS

Some U.S. producers are by no means convinced the trend to importing from their foreign plants will be self-destructive in the long run. "We'd hardly let any U.S. facilities stand idle," declares tall, distinguished Brooks McCormick, Harvester executive vice

president. "We'd use the plant to develop a new product," he explains.

"We may lose volume in some items where the biggest volumes are overseas," adds this official. But he reasons buying more from the overseas plants should spur trade in both directions, especially stimulating sales of items in which the United States continues to have the volume and the technological edge. "There'll be a lot of whooping and hollering down in Washington about the trend in the short run," he concludes, "but in the long run it's the salvation of our country."

U.S. automation still generally outpaces that of overseas plants in the industry. Consider, for example, that a Harvester tractor made in England takes 224 hours of labor. The same tractor made here takes only 197 hours. Partly this is because cheaper labor puts less pressure on the British plant operators to add more automatic equipment. The result is some items made in big quantity here still can be made more economically than the same item made at a low volume and hence high per-unit cost abroad.

EXHIBIT 3

[From Foreign Commerce Weekly, Apr. 6, 1959]

U.S. INDUSTRY SHOWS INTEREST

U.S. industry is also showing considerable interest in Common Market developments. Firms engaging in exports to the area, as well as those with subsidiaries in the Common Market are assessing their competitive position. Some firms are planning to shift from exporting to the area to production within it; others are modifying or consolidating their facilities already located there. Apart from firms with wide European experience, many U.S. companies to whom Western Europe has previously been only of marginal interest are now thinking in terms of subsidiaries within the area or of licensing arrangements with existing Common Market firms.

Some Netherlands statistics show the trend of recent U.S. investments in the Netherlands. The average annual number of U.S. firms establishing new branches in the Netherlands was seven in the 1955–57 period. However, 23 new U.S. firms established themselves in that country in 1958 after the Common Market had come into existence. According to a large Netherlands bank, 47 foreign firms established in the Netherlands in that year, compared with a maximum annual figure of 20 for the preceding 4 years. Similar figures are not yet available for any of the other Common Market countries. Although Holland, for many years, has made particular efforts to attract U.S. investment, it may be assumed that a similar situation prevails in most other Common Market countries and that the influx of U.S. investment there also has been considerable.

Following are a few examples of publicized actions by U.S. industry indicating the type of planning to participate in the Common Market which is being undertaken on a wide scale: Agreements were concluded between several French companies and Westinghouse International in the field of nuclear energy. Underwood Corp. established the firm of Underwood Italiana for producing office machines. Excello Corp. acquired the German firm Goppingen to manufacture machine tools. Other recent actions taken by U.S. firms include the acquisition of a calculating machine company in Germany by Smith-Corona Marchant, a licensing agreement between General Motors and a Belgian firm for the production of diesel engines, the establishment of a plant for production of orlon fiber by Du Pont in the Netherlands and another plant for the production of paints in Belgium, the acquisition of an interest in the Simca works in France by the Chrysler Corp. the acquisition by Container Corp. of America of a majority interest in a German paper manufacturing company, and the establishment of a cardboard firm by the same U.S. company in another German location.

In all, recent developments indicate investment in the Common Market is accelerating and that U.S. companies account for a considerable share of this new investment.

EXHIBIT 4

[From the Washington Post and Times Herald, Apr. 6, 1959]

EXPORT OF VENTURE CAPITAL WILL GROW

(By Harold B. Dorsey)

An article in the latest issue of Foreign Commerce Weekly (Department of Commerce) reports that American businesses are setting themselves up inside the six-nation European Common Market in growing numbers. Some of these companies which have been making goods in this country and exporting them to Europe are planning to shift their production to Europe. Many other companies with little previous interest in Europe are now thinking in terms of subsidiaries within the area or licensing arrangements with existing firms there.

A dispatch from Frankfurt, Germany, last week reports that United States brokers have recently been buying a large number of shares of German companies in the West German stock market, causing some rather sharp gains in the prices of those stocks.

A group of about 70 Wall Street investment analysts went to Europe last week for a tour of about 3 weeks to explore the clues which suggest that the growth prospects of some of the foreign companies may be more attractive than their American counterparts.

The United Nations economic commission for Europe released a report last week which recommended a more vigorous expansion of business activity in the area. The report said that there were many favorable factors in Europe's present economic situation to encourage governments to adopt policies more propitious to business expansion. The improvement in the international financial liquidity position of most Western European countries was noted.

The Commission of the European Economic Community (EEC), the executive administrative body for the European Common Market, reported last week that the initial lowering of tariffs and enlargement of import quotas put into effect at the start of this year may increase French trade with other community members by 15 percent and that of Germany, Italy, and the Benelux countries (Belgium, the Netherlands and Luxembourg) from 3 percent to 5 percent. The ultimate objective of the European Common Market is the elimination of trade barriers between the subject countries so that there will finally develop a mass market consisting of the total population of these six countries, about 160 million people.

The U.N.'s economic commission in a review of developments in Russia and Eastern Europe last year pointed out that total output of goods and services in that area appeared to have increased by about 6 percent to 9 percent. Industry continued to expand at about the same rate as during 1957. The report attributed the continued rapid growth of Communist industrial production to a more intensive use of capital and to a rise in labor productivity.

Other foreign comment suggests that some of America's traditional Allies are complaining about a return of U.S. attitudes toward protectionism, while still extolling the virtues of free trade. Switzerland interprets our attitude toward Swiss watch imports as verging on the unfriendly; Canada is justifiably upset by our arbitrary restrictions against imports of her lead, zinc and oil; Britain thinks it unfair that we should reject her bids to supply this country with electric power generating equipment at prices very substantially below those of the lowest U.S. producer; Venezuela is certainly not very happy about our restrictions on the import of Venezuelan oil; nor can Japan completely understand the restrictions which we have placed on our imports of Japanese textiles.

The foregoing recent observations have one thing in common; they all suggest that very considerable success has attended the postwar efforts of the United States to restore the economies of war-riddled Europe and to build up the economies of some of the underdeveloped nations. From the humane viewpoint and from the international political viewpoint, our Government and our entire body of taxpayers are entitled to a feeling of gratification for the achievement. This does not necessarily mean that further economic aid should be suspended. That question involves matters that are not germane to this particular discussion.

But the facts of the current economic condition do present problems for the business analyst in his diagnosis of the American economy. Highly skilled investment managers, as noted above, are beginning to give tangible financial support to the prospect that industrial growth trends in Western Europe in the next 5 years are likely to be superior to our own. That does not necessarily mean that our own trends will be negative; it primarily reflects the fact that the European countries will be progressing from a lower base than ours and therefore they can more easily record a better year-to-year growth on a percentage basis. The latter is the factor that is of keen interest to the astute investment manager in his constant search for the best possible growth in the earnings of his investments.

It seems likely that there will be a larger export of American venture capital—the kind of capital that has been most responsible for this country's superior progress in the standard of living throughout most of our history. It must be admitted that our national policies in the past decade or so have discouraged the profitable functioning of venture capital, so the foreign fields may appear to be relatively greener.

It would seem that the international condition indicated by some of the foregoing observations should be taken into serious consideration by those who may influence domestic business conditions, primarily the leadership of business, labor, and government. Certainly, it is a fact that the status of our import and export relationships is far less favorable to our employment and business activity today than it has been throughout the entire postwar period. It is reasonable to presume that this significant change should call for some alteration in the determination of our business, labor, and government policies.

EXHIBIT 5

[From the Wall Street Journal, Mar. 26, 1959]

OUT OF REASON'S MARKET

Some American machine toolmakers are buying foreign companies to produce and sell both abroad and in the United States, and this trend is expected to grow. The reason is that the U.S.-made products are running into increasing price competition trouble with foreign-made products.

Steelmakers will try to counter union demands this spring with the argument, among others, that higher prices may mean more imports from abroad and fewer jobs for American steelworkers. And in point of fact, steel imports have been rising and exports declining.

Automakers are finding that while imports from abroad continue to mount, their own

overseas sales are sliding in about the same proportion.

In all these examples—and others could easily be cited—is a common thread: U.S. products are pricing themselves out of world markets. This is one of the important things that is going to be studied by Vice President NIXON's new Cabinet Committee on Price Stability for Economic Growth.

Now the immediate significance of the pricing-out-of-the-market trend can doubtless be exaggerated. But it is happening, and there is little reason to suppose it will not become a problem of serious proportions unless something is done. So the question is: What should be done?

The protectionists have a ready answer; they are already mounting, through their numerous spokesmen, a campaign to build a higher wall of tariffs, quotas, and other restrictive devices around American industry. There are many things that can be said about this point of view—that it forces the consumer to pay higher prices than he otherwise would have to; that to try to protect some American firms is automatically unfair to others.

But for the present discussion, perhaps the most useful thing to say about the protectionist answer is that it does not come to grips with the problem. The protectionists say the trouble is that foreign wage rates are usually lower than American. U.S. productive efficiency, however, has long been able to more than compensate for that cost disadvantage; the unarguable fact is that the United States has been highly successful in competing against foreigners both on its home ground and theirs.

That this country is now showing signs, in some fields, of losing out, suggests that rising wages and prices are beginning to outrun the compensating power of American efficiency. In the case of American machine tools, the average price has doubled in the past decade, which naturally reflects mounting wage costs. But then the question must be posed, How is it possible for such increases to have occurred?

A considerable part of the answer is the fact of Government-induced inflation. Some people talk as though inflation were at the most a future threat, but of course we have been having inflation right along—a lot of it up until about 1951, less since. From inflation spring the wage increases that exceed productivity gains and the consequent price rises now beginning to play hob with our competitive ability. In short, the inflation we have permitted through years of Federal red ink is starting to catch up with us in world markets.

Now protectionism is plainly no answer to inflation; indeed, it is a self-defeating notion. If we cut off our international trade, we will likely spur inflation without saving our domestic industry, which will simply become higher cost, less efficient and less competitive.

Equally clearly, one might think, more inflation cannot be a solution of inflation. Yet today many in Congress are in effect saying just that. They are trying to keep the Government on the path of heavy inflationary deficits because they profess to think that is the path to economic growth. Unhappily it is the way not to sound economic growth, but to economic contraction and eventually to finance collapse.

The way to deal with inflation is to stop inflating. What is beginning to happen to our international trade is one more sharp warning that the time to stop is long past and we had better not wait much longer.

The American people ought to consider that warning before they let either the protectionists or the inflationists price them out of reason's market.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 105) was referred to the Committee on Banking and Currency, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the private investment of American capital abroad with a view to determining the extent of such investment; the changes which have occurred therein in recent years; the effect of such investment on domestic industries in terms of employment, profits, and markets; and the effect of such investment on the economies of foreign countries. In the conduct of such study and investigation the committee shall consider the effect on such investment of existing tax, tariff, monetary, labor, and other regulatory policies of the Federal Government. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

UNIFICATION OF IRELAND—ELECTION BY PEOPLE OF ALL IRELAND

Mr. JAVITS. Mr. President, on behalf of myself, and Senators DODD, KEATING, and WILLIAMS of New Jersey, I submit, for appropriate reference, a resolution requestiong that an election be held in all Ireland under United Nations auspices at which the people of Eire and Northern Ireland would vote on the question of Irish unification.

Traditionally, the United States has tried to help peoples who are seeking unification or a legitimate expression of their desire for self-determination as they see it. Incorporated in the charter of the League of Nations, expressly reaffirmed by the United States and Great Britain in their signing of the Atlantic Charter, and set forth as a fundamental principle of the United Nations Charter now upheld by 81 nations, the doctrine of self-determination of peoples was integrated into 20th century foreign policy by President Woodrow Wilson in his historic Fourteen Points issued in 1917.

Since then, the application of this principle in the form of plebiscites held under the auspices of the League of Nations or the United Nations has led to the peaceful resolution of at least half a dozen separate disputes of grave international concern. The situation in Ireland today, which periodically erupts into violence and bloodshed, is certainly deserving of no less fundamental a solution in the interests of international peace and security. Partition was effected in 1920 when 6 of the 9 counties in Ulster were separated from the other 26 counties and became Northern Ireland.

The authority under which the United Nations could act to hold elections in Ireland is found in article 11 of the Charter. It states that the General Assembly "may discuss any question relating to the maintenance of international peace and security * * * and may make recommendations with regard to any such question to the state or states concerned or to the Security Council or to both." In addition, article 35 should be invoked, which allows a state to bring a dispute to the attention of the United Nations "if it accepts in advance for the purposes of the dispute the obligations of pacific settlement provided in the Charter."

The text of my resolution is as follows:

That it is the sense of the Senate of the United States that the maintenance of international peace and security requires settlement of the question of the unification of Ireland and that the people of all Ireland, including the people of Eire and the people of Northern Ireland, should have a free opportunity to express their will for union and that this be attained by an election of the people of all Ireland under the auspices of a United Nations Commission for Ireland, to be designated by the General Assembly pursuant to Articles 11 and 35 of the Charter, which shall establish the terms and conditions of such election.

THE PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 106) was referred to the Committee on Foreign Relations.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959—AMENDMENTS

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. DODD submitted amendments, intended to be proposed by him, to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

Mr. KENNEDY submitted an amendment, intended to be proposed by him to Senate bill 1555, supra, which was ordered to lie on the table and to be printed.

Mr. MUNDT submitted amendments, intended to be proposed by him, to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BRIDGES:

Address on the subject "Today's Challenge, and How To Meet It," delivered by Postmaster General Arthur E. Summerfield, at the annual dinner of the Merchants and Manufacturers Association in Los Angeles, Calif., April 17, 1959.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Robert S. Rizley, of Oklahoma, to be U.S. attorney for the northern district of

Oklahoma, for the term of 4 years, vice B. Hayden Crawford, resigned.

S. Hazard Gillespie, Jr., of New York, to be U.S. attorney for the southern district of New York, for the term of 4 years, vice Paul W. Williams, resigned.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in the above nominations to file with the committee, in writing, on or before Tuesday, April 28, 1959, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF LESTER L. CECIL, TO BE U.S. CIRCUIT JUDGE FOR THE SIXTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Tuesday, April 28, 1959, in Room 2228, New Senate Office Building, upon the nomination of Lester L. Cecil, of Ohio, to be U.S. circuit judge for the sixth circuit, vice Potter Stewart, elevated.

At the indicated time and place all persons interested in the above nomination may may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

THE KENNEDY-ERVIN LABOR REFORM BILL

Mr. GOLDWATER. Mr. President, as we continue debating the demerits of the Kennedy-Ervin bill, the press of the country continues to become more aware of the deficiencies of that piece of proposed legislation.

I have in my hand an article from the New York Herald Tribune of April 16, under the headline "McCLELLAN for Stiffer Kennedy Bill."

Because the articles, editorials, and so on, on this subject are so pertinent to the matter we are discussing in the Senate, I ask unanimous consent that a number of them be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Apr. 16, 1959]

McCLELLAN FOR STIFFER KENNEDY BILL—ASSERTS LABOR CAN'T CLEAN ITS OWN HOUSE

Senator JOHN L. McCLELLAN, Democrat, of Arkansas, said here last night he is willing to have his union-reform bills considered as amendments to the Kennedy-Ervin bill, on which debate began yesterday in the Senate. He called his five bills "the minimum that is required to provide an adequate legislative remedy for conditions that now prevail."

Senator McCLELLAN, who flew to New York in the evening to speak at the annual dinner of the Brand Names Foundation, said that labor cannot clean its own house of brutal, cynical men to whom unionism means only a royal road to personal riches and power. The Senator, chairman of the Senate Rackets Committee, declared that the remedy will have to be provided by strong and effective legislation.

The first of Senator McCLELLAN's bills would provide minimum ethical standards for unions, require reports on financial and administrative affairs and compel secret ballots in union elections. It would give union members whose rights had been violated an opportunity for judicial or administrative hearings.

FIVE YEARS IN PRISON

Among its penalties, the bill would impose $10,000 fines and 5 years in prison for using force to prevent the use of any rights granted to union members in the bill.

The four other bills would require the National Labor Relations Board to surrender certain jurisdictions to the States; outlaw hot cargo clauses; prevent secondary boycott, and prevent picketing aimed either at extracting payoffs from an employer at forcing an employer to place his workers in a union against their will.

"Some will charge," the Senator said, "that these measures are too drastic; that they are punitive and restrictive. I submit they are not drastic, they are preventive; they are not punitive, they are protective; and they restrict and prohibit only that which is criminal or improper."

[From the New York Journal American, Apr. 7, 1959]

LABOR NEEDS HELP IN CLEANING HOUSE

(By George E. Sokolsky)

The head of a labor union, under our laws and practices, is an exceptional person who has a legitimate right, under the National Labor Relations Act, to control the lives, social status, and liberties of other human beings. He is not a Government official, but he can, in a particular industry, decide on a man's right to work. He can make men rich or poor or even beggar them. He is the master of an enormous treasury, often running into hundreds of millions of dollars, and is accountable legally to no one for its management. His income taxes are not subject to the same kind of investigation as are those of other citizens because labor union funds are not subject to taxation or investigation, except if a congressional committee makes an investigation which is usually spasmodic and limited.

The various proposals to correct this condition and to remove an elite from American life are not very serious in this direction. Senator JOHN KENNEDY'S proposals for the rectification of the errors of the Roosevelt and Truman administrations seem to be an effort to run interference for the labor leaders. Secretary of Labor Mitchell's efforts are not much better.

I note that a bill has been introduced in the Legislature of the State of North Dakota which hits one nail on the head, namely, gangster control of labor unions, which reads:

"No person who has been convicted of any crime involving moral turpitude or of a felony, excepting traffic violations, shall serve in any official capacity or as any officer in any labor union or labor organization in this State. No such person, nor any labor union or labor organization in which he is an officer shall be qualified to act as a bargaining agent or representative for employees in this State. Such disqualification shall terminate whenever such officer is removed or resigns as an officer in such labor union or labor organization."

Such provisions in Federal or State laws would eliminate one group of difficult persons in the labor union setup, namely, the gangster and racketeer. But it does not solve the whole problem, which is that bossing a labor union is a profitable business.

RACKETEERS SEE A BUCK

The gangster and racketeer moved into organized labor shortly after prohibition because he recognized it as good business. It was much like the Sicilian padrone system, the boss, in effect, renting men's time for a wage for the worker and a consideration for himself. Long before Lepke organized Murder, Inc., for instance, he had organized a goon squad in the garment industries, sometimes working for bosses, sometimes for unions, sometimes for combinations of bosses and unions to keep competitors out of business. This trafficking in murder, arson, etc., was particularly notable during the deep depression years and continued after Lepke and his partner, Gurrah, were deprived of their lives by an ungrateful State which did not appreciate their services. (Gurrah died in Sing Sing.)

The gangster muscled into the labor movement, organizing new unions, particularly in the CIO which in its early stages used anyone who was willing to serve. A startling combination came into existence among Communists and the mob, as it is often called. This group developed great power in the labor movement, particularly among the Teamsters.

Various efforts have been made by the older and more respectable labor leaders to rid themselves of gangsters and racketeers but it has not been easy. One cannot call a man a gangster, a racketeer, a member of the Mafia unless the law does it first and in many places in this country, the mob owns the law. The association of mobsters and politicians inside and outside the labor movement has been a deep peril not only to organized labor but to the United States.

It would be to the greatest advantage to organized labor if the mob were taken out of it, but organized labor cannot clean its own house, as the expression goes, for two reasons: One, because the mob has lots of votes; and secondly, because few men who lead unions have not at some stage laid themselves open to attack for the same things that the newer and less respectable leaders are now doing. The job must be done from the outside, but it must be done impartially. Making one man the goat, as for instance, picking Jimmy Hoffa as the one, outstanding bad boy, will not do the job.

[From the Boston Herald, Apr. 14, 1959]

NO ACTION AT THIS SESSION SEEN TO END LABOR RACKETS

(By David Lawrence)

WASHINGTON.—The American people may not realize it yet, but the Congress isn't going to do anything at this session that really will put an end to the racketeering in labor unions. This is already conceded privately by the leaders on both sides.

Actually, none of the proposed measures, even if passed, would eliminate the corruption that has been exposed at the hearings conducted by Senator McCLELLAN and his committee.

One of the most significant comments has just come from George Meany, president of the AFL–CIO. In an interview in the current issue of Dun's Review and Modern Industry, Meany pointed out that the unions alone cannot stop the abuses. Here is an excerpt:

Question. "Do you believe that labor legislation now pending in the Congress will provide adequate power to curb these abuses?"

NO LEGAL POWER

Answer. "Adequate power? Frankly, these abuses could not be stopped by the unions alone. The trade-union movement is trying

to do what it can in this field. We think we have some moral responsibility to do this. But the AFL–CIO has no legal responsibility to curb corruption in union locals. We aren't a law-enforcement agency, and we don't have the power of subpena. We couldn't possibly call a trade-union official before our council and say "We are suspicious; we don't like the way things are going.' Certainly we would not hesitate to take action where we had proof of wrongdoing or corruption. But we must have the proof, and we haven't got the machinery to go out and make these investigations.

"So, to answer your question, we don't feel that the requirements of the Kennedy-Ervin bill would eliminate corruption. We do think it would curb some of these people because they will have to report all their financial transactions. We think the Kennedy-Ervin bill is a step in the right direction, but the real problem of corruption is the failure of the law-enforcement authorities to act."

CITES RACKETEERS

"The jukebox and coin-machine business points it up quite clearly. Here's one of our big industries, in the billion-dollar class, and it's honeycombed with gangsters and thugs operating with the connivance of greedy businessmen and with the cognizance of the law enforcement authorities.

"It is quite obvious that the real answer to corruption, whether in unions or anywhere else, is better law enforcement. Nobody runs to the American Bankers Association every time a cashier defaults or somebody on the inside robs a bank—they expect the local district attorney to handle that. When companies engage in business frauds, nobody runs to the chamber of commerce or the National Association of Manufacturers and says, 'What are you going to do about law enforcement?' No, they expect the local district attorney to do it."

CAN'T STOP HOFFA

This correspondent read the foregoing quotation to MCCLELLAN and asked him for his opinion on it. The Arkansas Senator said:

"They say they do not have the power, and that is correct. They can't stop a Hoffa. That's why laws are needed. If they had the power, and would be diligent in exercising it, we probably wouldn't need additional laws, or so many laws. But they cannot deal with people like Hoffa, and it's imperative that we enact laws to at least curb—you never completely prevent—crime of any kind."

Question. "I wonder why the local district attorneys haven't done more on this?"

Answer. "I think the simple answer to that is politics. They control—just like they control an industry or control an operation. They have the political power where they control often the people in public office."

Question. "You mean the unions do?"

Answer. "Sure. Or the union racketeers—that element in them. There's no question about that."

All this points up to the fact that labor unions are not at all analogous to trade associations or groups of businesses. The labor unions have a monopoly power. They get it out of existing laws and also out of the refusal of Congress to include labor unions as within the jurisdiction of anti-monopoly or antitrust laws.

[From the Miami Herald, Mar. 27, 1959]

CONGRESS AND THE TEAMSTER MESS—TALK, TALK, BUT NO ACTION

Since 1957 when it opened for business, the Senate Rackets Committee has taken thousands of hours of testimony and has heard hundreds of witnesses, most of them from the lowest rungs of humanity.

Nothing the committee has heard, however, more nearly scoured the bottom of social depravity than the Teamster Union scheme to exploit race feeling in the Miami area.

According to a letter reputedly written by a local Teamster official, Negro union members and their families were to be paraded in a new white housing section.

Ostensibly, one family would seek to buy a house. The expected turndown would then produce a suit and a row in the courts because the mortgages are federally guaranteed.

But the hidden purpose, as our David Kraslow reports from Washington, is to bludgeon a big Miami builder into using union-delivered cement.

Anyone who exploits racial feeling in such a manner deserves the contempt of all races and groups. This area of group relations is extremely sensitive. Men of good will, including many union leaders themselves, are bending every effort to reduce tensions and combat race baiting.

The man behind this scheme heard himself described as one of the "sorriest crumbs with which humanity was ever infested." The words are those of committee chairman, JOHN MCCLELLAN, who has asked for an investigation of the incident by the Justice Department and the Civil Rights Commission.

But words and investigations hardly faze the subjects of what Senator MCCLELLAN once described as Jimmy Hoffa's hoodlum empire.

Only laws, strictly enforced, are of any real use.

As we said, the rackets investigation got going in 1957.

In nearly 2 years of testimony, the Senate committee has produced every manner of sensation. Congressional Quarterly Almanac puts it this way: "The investigators have turned up all the essential ingredients of a Mickey Spillane thriller—human torch, woman scorned, disappearing attorney, gargantuan witness, blonde mankiller, hot jewels, and repeated reference to people in high places."

And hear us—it has turned up everything but a labor law that would protect decent unionists and all the rest of us from labor racketeers.

The last Congress spent 8 months chewing over the Kennedy-Ives anticorruption bill—a puny thing at best—and quite without any labor reform legislation.

On Wednesday the Senate Labor Committee approved without major change another Kennedy bill. Missing was a ban on secondary boycotts, the very tactic involved in the Miami Teamsters' proposed excursion into race baiting.

Congress is at home for the Easter recess.

Will it hear from the people?

Their swelling voice could be its master in this sorry mess.

MAJOR THREATS TO 1960 BUDGET

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a most informative analysis prepared by Mr. Maurice H. Stans, Director of the Bureau of the Budget.

At this approximate halfway point in our legislative session, it seems to me most timely to bear in mind Mr. Stans' thoughtful analysis. In bringing these figures to the attention of my colleagues, I feel that I have served the purpose of not letting them go uninformed concerning the budgetary effect of various legislative proposals.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Major threats to 1960 budget

[In billions]

		Budget effect
Budget surplus		$0.1
Failure to adopt revenue proposals:		
Motor fuel tax	−$0.2	
Airways user tax	−.1	
Postal rates	−.4	
Adoption of unbudgeted proposals:		
Housing Act (S. 57, as reported by House committee)	−.4	
Veterans loans (H.R. 2256)	−.2	
Tax reductions (Simpson-Keogh bill)	−.4	
Veterans pensions (Teague proposal?)	−.2	
Aid to education (Murray-Metcalf bill)	−1.1	
Aid to airports (S. 1), area assistance (S. 722), and other	−.1	
		−3.1
Total (deficit)		−3.0
Not evaluated above:		
Higher interest rates		?
Appropriations committee reductions or increases (including Defense appropriations)		?

MAJOR LEGISLATIVE THREATS TO BUDGET

Budget expenditure effect

[In millions]

	1960	1961	Subsequent years	Total effect (where applicable) or 5-year effect
Housing Act (S. 57, as reported by House committee) 1960 includes effect of prohibition of bond-mortgage exchange included in House report. All figures exclude effect of repayments.	$442	$112	$3,956	$4,510
Veterans' loans (H.R. 2256) As passed by the House.	200	100	-------	300
Veterans' pensions (Teague proposal?) Possible liberalization veterans pensions along lines discussed by Representative TEAGUE.	200	250	800	1,250
Aid to airports (S. 1) As passed by the Senate.	5	30	340	375
Area assistance (S. 722, Douglas bill)	35	93	372	500
Aid to education (Murray-Metcalf bill)	1,100	2,100	12,300	15,500

Factors affecting 1961 expenditures

[In billions]

	Budget effect
Built-in increases:	
Interest	$0.3
CCC and conservation reserve	.3
Mutual security (mostly Development Loan Fund)	.3
Veterans pensions	.1
Construction	.2
Space program (NASA)	.2
Defense education	.1
Aviation program (FAA)	.2
Urban renewal and public housing (existing legislation)	.2
Other	.2
	$2.1
Normal decreases:	
Veterans readjustment benefits	−.1
Other	−.1
	−.2

Factors affecting 1961 expenditures—Con.

[In billions]

	Budget effect	
Carryover from 1960 threats:		
Failure of higher postal rates and gas tax	1.2	
Housing, aid to airports, etc	.6	
Aid to education (Murray-Metcalf bill)	2.1	
		3.9
Increase in expenditures		5.8
1960 estimate		77.0
Expenditure level indicated [1]		82.8
Revenue losses in 1961 threatened:		
Tax reductions (Simpson-Keogh bill)		.4
Airways user tax		.1
Total		.5
[1] Not evaluated above:		
Changes in level of Defense expenditures		?
Long-range program reductions		?
New public works starts		?
Any program increases or new programs		?

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF COMMERCE REPORT ON RESPONSES TO BUSINESS QUESTIONNAIRE REGARDING PRIVATE INVESTMENT ABROAD

Mr. JAVITS. Mr. President, the Department of Commerce is today submitting to every Member a very important report, to which I wish to invite the attention of Senators. The report is entitled "Responses To Business Questionnaire Regarding Private Investment Abroad," prepared by the Assistant Secretary for International Affairs of the U.S. Chamber of Commerce.

This report analyzes the reasons why American business believes it will or will not invest overseas. The answers were obtained in order to support the study made by the Department of State, or under its auspices under section 413(c) of the Mutual Security Act. The study was actually directed by Ralph Strauss, of New York. It related to the extent to which the foreign policy of the United States should be supported by the private economic system. The report was issued on April 1, but the responses of 1,000 American businessmen, which were used as the basis for the report, are now printed in the document to which I have referred. They prove to be equally important, for this reason:

It is now clear that the Soviets have undertaken a major economic offensive against the free world. When we talk about the fact that we are being distracted by Berlin from looking to the Middle East and Iraq, we should also remember that we should not allow ourselves to be distracted by Berlin from the real economic war being waged upon us, not only in the field of aid, which is itself very important, because the Soviet Union and Communist China are now putting out appreciable amounts of foreign aid, in a governmental sense, but also in the field of trade, especially as regards raiding the free world markets for basic commodities, such as residual fuel oil, aluminum, and tin.

This operation can be more destructive, in terms of the cold war, than the hydrogen bomb, in terms of a hot war. The danger is that our attention is diverted from the real peril, and we look at something else the Soviets want us to look at, such as Berlin.

It seems clear to me, and it is being made clearer to many of us as we read the press items, including those relating to the address by Mr. Hoffman to the International Chamber of Commerce, the address by Secretary Anderson in New York, and recent addresses by Vice President NIXON and other authorities, that the private credit and investment system of the United States must be relied upon primarily to do the job which needs to be done. Today we are investing overseas about $3.1 billion net, annually. The total stands at $28 billion.

As revealed by the questionnaire to which I urgently invite the attention of every Senator, business looks to the Federal Government, not for direct financial participation as a means of reducing the risks of trade and investment in the underdeveloped countries—though in many cases business finds guarantees and similar techniques useful—but the major thing for which business looks to the Federal Government is increased promotion and protection of our investments in foreign countries, improved information service, and, very important, equitable tax treatment.

There is quite a conflict in the Government between the Treasury Department and the Department of State. Upon another occasion I shall address myself in great detail to that conflict.

Finally, business is interested in the expansion of investment guarantees, such as those now in the Mutual Security Act. Our objective must be to at least double United States private investment. Businessmen themselves, by answers to the questionnaire to which I have referred, have shown us one of the ways by which to accomplish that purpose.

I hope Senators will pay very serious attention to this extremely important document.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUSH. I commend the Senator very heartily for his remarks concerning foreign economic policy, and for bringing that subject to the attention of the Senate, which he did a week or so ago. On the Senator's advice I obtained a copy of the fine report by the Department of State and studied it. I believe that in that report, as the Senator says, there are some very sound recommendations for the promotion of trade, and particularly the promotion of American investment abroad, which, as the Senator from New York says, would be very helpful in our world relationships, particularly in the cold economic war which is so troublesome to us.

Mr. JAVITS. I am very grateful to my colleague, who is himself a leader in the investment world. He has always ben very helpful in this effort.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

DRUG ADDICTS AND CRIME

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Drug Addicts and Crime," written by Edward T. Mancuso and published in the February 1959 issue of Frontier magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DRUG ADDICTS AND CRIME: A STUDENT OF THE PROBLEM SUGGESTS A NEW APPROACH

(By Edward T. Mancuso)

For almost a half century, State and Federal laws, primarily punitive in their impact, have failed to solve the narcotic problem. Much of our frustration with respect to this social dilemma stems from the inability of those most concerned in trying to find a solution to the problem, to make a true evaluation of its nature and extent.

The nonaddicted seller is the person who must assume primary responsibility for the existence of this problem. It is because of his greed and avarice that the cancerous-like affliction of addiction to narcotics has extended its tentacles into the very vitals of the body politic. The problem of the nonaddicted seller, not unlike that of any ordinary criminal, stems from a flagrant disregard of the moral and legal obligations which the individual owes to society as an entirety. His abject thinking leads him to the conclusion that he need not cooperate with, but may, and must, do everything to destroy the moral fiber of society. He is a true criminal and should be treated as such. The extent to which he should be punished is a matter that I am willing to leave to the legislature and the judiciary.

The pusher constitutes a group more numerous than the nonaddicted seller. The pusher is a sort of hybrid, being both a seller and a user. His activity as a seller, experience has proved, is geared to a necessity created by his own addiction. Punitive action standing alone is not the solution to his problem. Action which seeks to punish the pusher by confining him in jail results only in a temporary alleviation of the sociological problem created by his unfortunate existence. However, such punitive action completely ignores his psychological and physiological problems, which spring into being as a result of his dependency on drugs. Accordingly, it seems to me, that some plan must be devised wherein greater attention is given to the alleviation of the physical and mental problems which beset the pusher.

Perhaps the most difficult aspect of the total problem is the drug addict—a poor unfortunate soul who for one reason or the other too numerous to mention or outline here—has developed a dependency on drugs. The best available figures—estimates only—indicate the existence of more than 60,000 known addicts in the United States; how many more there may be no one really knows. Nevertheless, the 60,000 figure creates some cause for alarm. There is even greater cause for alarm when one realizes that the habit in America frequently begins in adolescence or the early twenties, and dwindles out in the mid-forties, thus the active stages of the habit cover the most

productive years of the victim's life and society is to that extent deprived of any worthwhile contributions which he might make during that period. In California in 1957, 80 percent of males convicted for narcotic violations were under 35 years of age. (Bureau of Criminal Statistics, Department of Justice, State of California.)

PROPAGANDA BY THE POLICE

Purely aside from the seriousness of the problem of addiction, society has intentionally been misled by self-serving law-enforcement officials with respect to the true implications of the problem. The general population, victims of today's mass media of communication, has been induced to believe that narcotics, per se, precipitate all sorts of wierd, bizarre, and evil responses on the part of its victims. This propaganda, emanating from law enforcement agencies and uninformed politicians, is definitely untrue. The truth is that narcotics induce a state of lethargy in their users, a sort of supine, detached mood that makes them totally oblivious either to the advantages or disadvantages of their environment. A jolt of heroin, in its initial impact, has the effect of suspending the user in an ethereal world between the real and the imaginary. It is a gross inversion of fact to say that the addict, while under the influence of narcotics, is propelled toward violence, theft, and criminal acts in general. It is significant that the Bureau of Criminal Statistics reports:

"Very few addicts were among those committed to prison for sex offenses, assault, or homicide."

With the problem thus clearly delineated, many suggestions have emerged as to its solution. On the one hand there is that school of thought whose chief exponents are such distinguished men as Narcotics Commissioner Harry J. Anslinger and Judge Samuel S. Leibowitz, who advocate stronger punitive measures as the only solution to the problem. They argue that the only way to dry up the narcotic traffic is to confine all narcotic addicts.

On the other hand, there is the second school of thought espoused by such distinguished men as Senator JACOB K. JAVITS, New York City's Chief Magistrate John M. Murtagh and a host of psychologists, sociologists and physicians who feel that a medical approach should be made to the problem and that addicts should be provided free, or at a nominal cost, dosages to satisfy their craving.

Statistics seem to indicate the conclusion that in those areas in which a get tough policy has been followed the problem has been ostensibly lessened but this by no means indicates that it has been eliminated in these areas.

Those who advocate stricter law enforcement and stiffer sentences for the addict and addict-peddler fail to face up to one inevitable fact and that is that the narcotic addict as such is incurable and so long as he is on the street the problem is a simple one of demand and supply. The addict, of necessity, demands drugs to satisfy his acquired tolerance and the seller, irrespective of legal restrictions, will seek to supply that demand. One obvious answer to the problem, according to the advocates of punitive measures, is to confine all addicts or junkies for the rest of their lives.

In the United States today, we are filling our jails with addicts and addict-peddlers and spending close to $100 million annually on the National, State, and local level in apprehending and confining these people who are treated as criminals.

MEDICAL TREATMENT PROPOSED

It is a rare occasion where you hear of the supplier being apprehended or taken into custody. By simply treating the addict as a medical problem, rather than treating him as a criminal, we would thereby take all of the profit out of drugs, destroy the market for the supplier, and ease our crowded jail problem at the same time. This money that is now being spent to apprehend and confine the addict and addict-peddler could then be diverted to apprehending actual criminals, or for other social purposes for the benefit of the community as a whole.

The attitudes with respect to narcotic use and subsequent addiction depend to a large extent upon religion, economics, class consciousness, ethics, group morality, availability of drugs, and other factors, all of which tend to influence the acceptance or rejection of particular drugs.

In the United States people look upon opiate users as lazy, shiftless, and unreliable. On the other hand, people like the concept of aggressiveness and look upon vigorous, ambitious, go-getters as real he-men, and alcohol, which emphasizes such qualities, is socially acceptable today.

However, alcohol, unlike narcotics, is linked with crimes of violence, automobile accidents, and a host of other social problems all of which can be said to be the direct result of alcoholic consumption. Nevertheless, the alcoholic is being looked upon as a sick person, whereas the narcotic addict is still treated as a criminal.

THE PROBLEM IN OTHER COUNTRIES

Great Britain and other European countries look upon drug addiction as a medical problem and keep it primarily in the hands of the physician.

What is even more significant, European users add to the crime problem in only a minor way, and the illicit traffic there is feeble compared to ours. Almost all English addicts are reported to be over 30 years old, while 80 percent of ours in California are under 35. In England, addicts are known, registered, and productive citizens of the community. Medical men are more and more inclined toward the view that drug addiction is a disease or a symptom of a disturbed or abnormal personality that requires drugs in order to be able to cope with life.

What then is the solution to this perplexing problem? It seems simple enough if society and the legislators will stop confusing sickness with sin and creating crime where crime does not exist.

It is obvious that to find the solution to drug addiction requires some basic research. The Council on Mental Health of the American Medical Association, in conjunction with the American Bar Association, recently suggested that a limited experiment be devised which would test directly the hypothesis that clinics, if given a fair trial, would eliminate the illicit traffic and reduce drug addiction. I subscribe 100 percent to this approach. It is said that such an experimental clinic will provide data on the best methods of dealing with narcotic addicts outside institutional walls and will contribute greatly to the ultimate solution of this problem; that it will throw considerable light on causative factors in drug addiction and help in formulation of professional programs. It could also provide indispensable data on the procedures and techniques for dealing with addicts which could be used by the individual physicians in the smaller communities which cannot support public health clinics.

A study of the cured and rehabilitated addicts should also be made in order to determine how and why men and women conquer the drug habit, as well as how and why they become addicted in the first instance.

Finally, the experimental clinic approach affords an opportunity for new insight into what is admittedly a difficult problem. It is a middle-of-the-road approach which takes leave of the dogmatic and ofttimes oppressive punitive approach and, at the same time, refuses to embrace the concept that all punitive measures should be scrapped in favor of free clinics. In short, the experimental clinic method seeks for, instead of assuming, a solution. The data acquired from such clinics could very well serve as the basis of a broad educational program, emphasizing the harmful effects of the use of narcotics by our adolescent groups.

Mr. JAVITS. Mr. President, on a Sunday in March, 200 men, women, and children quietly paraded through New York City in a demonstration asking for help. They sought medical aid for the narcotics addicts of the city of New York.

Based on an estimate of 21,000 known addicts in the United States, there are nearly 10,000 in the New York metropolitan area. Projected from an estimate—equally reliable—of 60,000 known addicts in the United States, there must be many more than 10,000 in the New York City area. At least 2,700 of them are under the age of 21. Yet, according to the New York State Bureau of Narcotics Control, there are no hospital beds for the adult addicts who ask for help and there are only 200 beds for the juvenile addicts. The nearest narcotics hospital is the Federal establishment at Lexington, Ky., 600 miles away.

The quiet parade in New York served as an eloquent reminder of the desperate needs of a group of people who are considered as medical cases in other societies but for whose apprehension and confinement treating them unhappily as criminals the United States spends close to $100 million annually. The demonstration ended with the singing of a hymn.

Mr. President, on February 4, I introduced for myself and Senator KEATING a bill (S. 927) for the establishment of a narcotics hospital in New York State, to be jointly operated by the Federal Government, the State of New York and neighboring States that wish to participate. This bill is similar to one which Senator Ives and I introduced in 1958. Representatives ANFUSO and HALPERN have put forward identical legislation in the House.

The establishment of such a hospital would represent an attempt at coping with the problem of narcotics addiction by going to its medical and psychological roots. The article by Edward T. Mancuso, public defender in the city and county of San Francisco, published in the February issue of Frontier, clearly and concisely states some of the reasons why such an attempt should be made.

This is one of our most serious and frustrating problems. My colleague [Mr. KEATING] and I are urging, through a bill, that a new narcotics facility be opened in the city of New York. I invite my colleagues' attention to the article which I have inserted in the RECORD by way of bearing out the urgent character of the problem in the metropolitan area, which I have the honor, in part, to represent.

A BRIGHT ECONOMIC FUTURE WITHOUT INFLATION

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD following these remarks an address delivered by Secretary of the

Treasury Robert B. Anderson, at an Associated Press luncheon, in New York City on April 20, 1959.

In this memorable address, which I believe is one of the best the Secretary has made, he points out very definitely that this country can have a bright economic future without inflation.

He also says that this country cannot have an enduring bright economic future with inflation, and he makes a very sound and convincing argument on those points, in connection with which he gives us 13 commandments, which he calls guiding principles, which he believes should be a part of our basic thinking in connection with this entire very serious problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY TREASURY SECRETARY ROBERT B. ANDERSON AT ASSOCIATED PRESS LUNCHEON, WALDORF ASTORIA HOTEL, NEW YORK CITY, MONDAY, APRIL 20, 1959

This country can have a bright economic future; it can have it without inflation.

This country cannot have an enduring bright economic future with inflation.

This is a principal tenet of my belief. It is a faith I should like to examine with you in historic perspective and as a basis for future real growth in our Nation.

Demosthenes once said: "The time for extracting a lesson from history is ever at hand for them who are wise." Surely the world has never been in greater need of wisdom than now.

The history of every nation is in fact the fruition of the lives and beliefs and ideas of men. Almost 500 years before the birth of Christ, another great leader of the Greek people urged his fellow citizens to "remember that prosperity can be only for the free, and that freedom is the sure possession of those alone who have courage to defend it."

We are dedicated to security that we may preserve freedom. Long-term security must rely on sound economic growth to support it. Should we impair either military security or economic growth in our efforts to achieve both, we shall have failed in our trust.

The story of a nation's downturn has been in one way or another the chronicle of its unwillingness to face reality. Time and again, the choice has been made of an apparent easy way out. People have been misled by a seeming innovation in government or finance, by a misguided leader, or simply through accepting the notion that undesirable developments are inevitable. They have listened to promises that unromantic hard work can be done away with and that difficult problems can be pushed aside.

Where have these choices led?

There is no lack of answers.

Rome is a classic example. But we need not go that far back in history. One has only to look at what happened in Germany after the downfall of the Kaiser. One has only to look at the economic problems which have faced some other European countries—not newcomers to democracy—in recent years.

In the rest of the world, too, are countries which in their efforts to effect rapid economic changes have sacrificed financial soundness. In these countries we may see the dramatic symbols—impressive installations, public works, large buildings. But meanwhile, in all too many instances, the standard of living for the average man has remained low. Prices have gone up. Disease is a scourge. Job opportunities and job security are lacking. The savings which could lead to a better use of both resources and labor sometimes are not forthcoming.

In the United States we have an abundance of resources, skilled manpower, technological capacity. These are vital. But we must relate them to the well-being of people.

We are dedicated to maximum employment. We are equally dedicated to growth in real terms. We are determined to maintain a free economy. These goals are consistent with and contribute to each other.

Every economy is an exercise in change.

Growth is the process of the development and expansion of economic segments. Each day sees a new horizon of accomplishment; tomorrow it becomes a part of our economic fabric. The process takes place when there is a climate of confidence—where there is free play for initiative and incentive. The foundation is the willingness of people to save and invest; the ambition of workers for self-betterment that flows from the right to choose occupations and to bargain for a fair share of the product.

The factor of competition provides a basic insurance against exploitation. It is a motivating drive toward making the best use of new inventions and new processes. It lies at the root of satisfying real demands with the goods and services people want and will work to acquire.

Growth in a competitive society is historically uneven. Members of the same industry tend to expand or contract at the same time in order to maintain competitive positions. There are frequent shifts in geographical areas of operations that bring additional dislocations. In any given period, differing industries may be exhibiting very different patterns of growth or decline.

When a pattern of expansion or retraction becomes general in a number of industries and interests, the economy is characterized by inflationary or recessionary trends.

It is a task of Government to minimize the impact of such adjustments on the individual, the community, and the Nation. It is our task to prevent a spiraling effect in either direction. To this end, we have established certain stabilizers in our Government. We must have an awareness of—and a readiness to use—all of the instrumentalities of Government to prevent undesirable cumulative effects and to soften the impact on every segment of society. We must strive continually to reduce the levels of unemployment.

The utilization of these instrumentalities available to us, however, must be judged in the context of both the short- and long-range effects.

We must remember that although the Government has a number of responsibilities when the economy moves too far in either direction, we are essentially a nation of private, competitive enterprise. The course our economy will pursue is finally determined by the multitudes who engage in every phase of productive activity and of consumption.

The Government taxes and spends and, therefore, plays an important role in the economy. Its influence is felt both through direct demand for goods and services and through the effect of Government requirements on the amounts available for other consumers to buy. However, measured against the scale of national earnings and national consumption, the Government role is not the primary one.

The rate of our growth and the development of our capacity to meet the expanding demands of our economy as a whole are still essentially anchored to the growth and the development of private business and industry.

In considering the task which this imposes on our free enterprise system, I should like to suggest certain guiding principles which I believe should be a part of our basic thinking.

1. We must realize that long-term economic growth in real terms can be achieved not with, but only without, inflation.

2. We must strive for an achievable rate of relatively constant growth—not a succession of sharp ups and downs.

3. We must not, as we come out of a recession, seek to force the economy into a quick boom which can later injure our long-run capacity to produce.

4. We must put major reliance upon the private sector of the economy to increase production.

5. We must give maximum free rein to incentives to save, to work, to produce, to invest.

6. We must maintain the priceless incentive of confidence in the value of money.

7. We must achieve a budget that is in balance or better during periods of high-level activity.

8. We must be willing to seek out the impediments to growth in our economy whether these are found in traditional business practices, in organized labor, in Government subsidy programs, or in any other area.

9. We must encourage the inventiveness and research necessary for new products, new jobs, and improved living standards in a growing economy.

10. We must accept the imposition of discipline and prudent responsibility.

11. We must not passively allow either inflation or deflation to run its course.

12. We must—and by "we" I mean businessmen, workers, investors, and not only officials of Government—make our day-to-day decisions with the welfare of the whole in mind, and not merely the advantage of the moment for some narrow segment.

13. Finally, we must have confidence—and this confidence I have deep faith is well justified—that the American people are wise enough and perceptive enough to support the principles which can leave for your children and mine an America not ravaged by economic turmoil, but full of strength and growth and hope.

In sharp contrast to these principles, we are hearing talk today on what I believe to be some false assumptions.

One of them is that "a little inflation is good for economic growth."

So long as our aim is to increase real wages and real goods and services, I do not believe that any characteristic which could contribute to the debasement of the currency is a desirable ingredient in our economy.

Concern about price inflation during periods of rapid peacetime growth is a relatively new phenomenon. Most of the price inflation in our history has been the accompaniment or the aftermath of war. During the previous century, price inflation was associated with the War of 1812, the banking and credit inflation of the 1830's, and the Civil War. In this century, it has been associated with World War I, World War II, and the Korean war.

Apart from these temporary periods, our great economic growth since the beginning of the 19th century frequently has occurred against the background of a general downtrend in prices. This was particularly marked in the late 1800's. But it has been evident also in this century.

From 1910 to 1915, for example, manufacturing production increased 30 percent while prices showed a moderate decline. During the decade of the 1920's we had one of the most notable periods of sustained economic growth in the history of our country prior to World War II, with national output rising 50 percent in 8 years. Yet this decade was characterized by remarkable price stability. Between 1951 and 1955, a period again characterized by relative stability in the broad indexes of wholesale and consumer prices, we reached the most prosperous levels attained in our economy up to that time.

It is not only our experience of the recent and war-remote past that demonstrates growth goes hand in hand with stable prices.

Any realistic appraisal of continuing instability, with the speculation and the waste that inflation produces, makes it quite clear that this is not the way to attain steady and enduring growth.

Then, too, the judgments of businessmen and investors would be distorted and create maladjustments which could finally result in serious fluctuations in the economy. Also, of course, if serious inflation occurs, public opinion may well demand Government controls over almost every facet of our lives.

I am confident that this Nation is not now going to adopt a philosophy that inflation is a necessary part of the price of progress. For in addition to what it does to our economic structure, inflation exacts a penalty that would be levied on the pocketbook of every American. It would fall with the most hardship on the wage earner, the self-employed, the teachers, the holders of insurance policies, depositors in savings associations, parents trying to provide for their children's education, those on social security, and others like them. The rich and those with the capacity for self-protection would suffer least.

Such a doctrine I reject.

Another false assumption we hear discussed is that deficit financing has little to do with inflation.

The fact is that when the Government has to borrow from commercial banks, as is often the case in times of high business activity, such borrowing adds to the money supply by the amount of the borrowing and so increases inflationary pressures. Continued deficits are bound to add to monetary inflation. They are bound to have the same effect, over a period of time, as a resort to printing press money.

Today, our gross national product for the first quarter on an annual basis is $465 billion. Personal income for the first quarter stood at an annual rate of almost $366 billion. Corporate profits for the first quarter of this year are at an alltime high. The Federal Reserve Board index of industrial production has reached 147—another alltime high.

If in a period like this we say to ourselves and to the world that we cannot live within our means, everyone has the right to ask: When do you expect to do so?

Finally, one hears from time to time that the efforts to balance the budget are without hope. This assumption I also reject.

On the revenue side, we estimated our revenue in January to be $77 billion. Today, I believe there is even more evidence to support this estimate than there was last January.

The level of expenditures as submitted in the January budget continues to be sound. I believe that there will be a great deal more said about how we divide the Government's income in the fiscal year 1960 than there will be about how much more than our income we as a nation are willing to spend.

I have this judgment because I believe that the American people have shown and are showing their determination to pursue prudent policies that help avoid dangerous pressures for either inflation or deflation.

In a free economy, we can never wholly eliminate the incidence of inflationary pressures during some periods and recessionary pressures during others. The problem is to walk the narrow path which allows neither to become dominant, to maintain the capacity and the willingness to exercise flexibility and reversibility, and to constantly pursue the sound objective of maximum employment, reasonable growth, and freedom of economic activity.

Recession must not be allowed to develop in a cumulative downward spiral of declining wages and profits, reduced buying, and curtailed employment. These factors, if unimpeded, feed upon each other. Monetary policy, our fiscal system, the utilization of unemployment compensation, and other resources at the command of the Government must be wisely administered in terms of both the short and the long run.

By the same token, we must maintain a constant awareness of the dangers of inflation during the upward swing of the cycle. However unpopular, we must be willing to exercise at such a time the restraints which changes in monetary controls, Government fiscal policy, and the maintenance of budgetary surpluses can bring about.

We must remember that what we are trying to protect is our way of life. This protection cannot be accomplished by having absolute controls over prices, wages, salaries, choice of occupation, right to expand, and similar activities of a free society. If we resort to such controls we surrender many of our freedoms and threaten others.

In a competitive economy which is going to have its adjustments from time to time, how then are we going to assure national security and at the same time pursue a long-range policy of economic soundness and the furtherance of human welfare?

The administration is determined to do this, first, by adopting policies which give primary call on our resources and our output to maintaining the physical security of the United States. The determination of what this involves must be made by the one man who has the responsibility for a comprehensive view of the total national effort—the President.

After that, we must determine how much of our resources we can afford to give to promoting growth and a rising standard of living, not neglecting the need for a surplus of revenues over expenditures which can be used for debt reduction. We cannot expect such a surplus during periods of readjustment such as we experienced in 1958. But a surplus should be part of our fiscal program during periods of high and rising business activity. If it is not—if instead we adopt the philosophy that at no time in our history is anything more required of us than barely breaking even—we begin to cast reasonable doubt upon our willingness to accept the responsibilities which are ours.

To ignore the obligation of paying off some part of our debt during prosperous times is contrary to all of our American traditions of good faith and performance. Failure to reduce our debt when we can means passing on the problems of the debt to another generation, which we have no moral right to do. It also means foregoing the restraining effect of budget surpluses on the inflationary pressures that historically exist during periods of high activity. Budget surpluses are effective weapons in our arsenal; we cannot afford to ignore them.

The whole world is watching us closely. The countries who are new to democracy, in particular, are observing very carefully the extent to which we practice what we preach. On my trip to and from New Delhi last fall, for the annual meetings of the International Bank and Monetary Fund, I was impressed to discover how well informed foreign officials are about even the details of our fiscal attitudes and position.

As we face the problems of our day, we have the comforting realization that we have recently been able to achieve—not without effort—a rather high degree of price stability. The value of the dollar has not decreased in 12 months. The all-commodity index of wholesale prices has been substantially level. We have a substantial amount of unused capacity in basic industries.

Nevertheless, I must repeat that in a free economy there is never a complete absence of the inflationary or deflationary threat.

There are those who say that in this period of stability no voice should be raised about the dangers of inflation. There are those who say that the realities of the moment should shield us from the disturbing prospects of what future inflation might produce. There are those who say that if we warn against future dangers we are contributors to the inflationary process.

What would they have us do? Would they have us ignore the future consequences of what we now propose or do? Such a doctrine must be alien to those of you who have the responsibility of keeping the Nation informed as to the problems of today and equally alert to the problems of tomorrow.

As publishers and editors of the great newspapers of our Nation, you have more than a working familiarity with the difficulties and dangers involved in Government financing. By giving expression in realistic perspective to the whole panorama of viewpoints on these complex and unromantic areas of the news, you can help millions of Americans obtain a much-needed insight into the nature of our financial responsibilities as a nation.

The Treasury is willing and anxious to give all the help it can in supplying the facts. It is obvious, however, that we must refrain from making public information which is confidential under law, as well as giving out information which would be inappropriate in light of a pending financing or information which might improperly serve to promote speculation in any market. Within these limits we do make information available to the maximum limit.

The fact that fiscal matters are little understood—even by some rather prominent and otherwise well-informed people—was brought home to me one day when a visitor in my office remarked: "You talk of the dangers of monetization of the debt, Mr. Secretary. You know I just don't believe there is such a danger. Probably because I don't quite understand what monetization means."

I said this to my visitor: "Now suppose I wanted to write checks of $100 million starting tomorrow morning, but the Treasury was out of money. If I called up a bank and said, 'Will you loan me $100 million at 3½ percent for 6 months if I send you over a note to that effect,' the banker would probably say, 'Yes, I will.' "

"Where would he get the $100 million with which to credit the account of the U.S. Treasury? Would he take it from the account of someone else? No, certainly not. He would merely create that much money, subject to reserve requirements, by crediting our account in that sum and accepting the Government's note as an asset. When I had finished writing checks for $100 million the operation would have added that sum to the money supply. Now certainly that approaches the same degree of monetization as if I had called down to the Bureau of Engraving and Printing and said, 'Please print me up $100 million worth of greenbacks which I can pay out tomorrow.' "

At this point my visitor broke in to say, "Oh, I would be against printing those greenbacks."

There are many lessons to be learned from the history—and particularly from the history of man's struggle to achieve and maintain human freedom. But one lesson stands out: Each generation must have the wisdom, the courage, and the toughness to accept the responsibilities which are uniquely theirs. If they do not—if difficult problems are pushed aside—the generations that follow will surely pay the price.

Alfred North Whitehead has said that every epoch has its character determined by the way its population reacts to the material events they encounter. They may rise to greatness—or they may collapse.

In writing of the Greeks and Romans, one of our greatest classical scholars summed up their story as follows: "In the end, more than they wanted freedom, they wanted security, a comfortable life, and they lost all—security and comfort and freedom. * * * When the Athenians finally

wanted, not to give to the society, but the society to give to them, when the freedom they wished most for was freedom from responsibility, then Athens ceased to be free and was never free again."

Let us remember.

Let us remember, too, George Washington's admonition to the new American Republic. Liberty and self-government, he said, are "finally staked on the experiment entrusted to the hands of the American people."

The stark truth of Washington's statement is being underscored almost every day by events in the headlines. The imperialist programs of the Communist dictatorships represent the greatest challenge to freedom which the world has ever known. The success or failure of that challenge depends very largely on the choices of the American people. Our country will make the right choice; our freedom will be preserved.

RELEASE OF STOCKPILED COPPER

Mr. MURRAY. Mr. President, last Friday the Senate very wisely, by unanimous vote, adopted a resolution expressing its disapproval of a contemplated move by the Office of Civil and Defense Mobilization to release stockpiled copper to the fabricating trade.

Subsequently, the Director of OCDM has publicly promised, and I quote him, "to exercise great care that our actions do not disrupt the market or adversely affect the industry involved."

In a thought-provoking editorial with the headline "The Copper Fiasco," the American Metal Market today observed:

> What happened in Washington last week should put us to work devising better machinery for handling copper than has yet been prescribed.

The editorial also points out "the American public has rightly been reluctant to have the Government operating in the market," and had the contemplated action been taken that is exactly what would have happened—the Government would have been operating in the market.

I ask unanimous consent that the editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE COPPER FIASCO

Time has repeatedly shown that one of the great weaknesses of representative government is the reluctance of legislatures and administrations to spell out essential but controversial procedures when to do so would risk a degree of unpopularity. One might even go further and say that the reluctance sometimes grows out of nervousness on the part of officials over possible resentment, when what is contemplated might not cause resentment at all.

This rather ridiculous situation was brought home last week when it became known that certain bureau officials had been quietly giving serious consideration to the sale of some 128,000 tons of copper, acquired under the still-uncompleted contracts made with copper producers as inducements to expand our copper production at the time of the Korean crisis.

As any neophyte in politics could have foretold, the idea, when it became known, immediately provoked loud outcries from congressional representatives of mining States. These, we may rest assured, were mere whispers to what would have been heard had sales taken place before the Senators and Congressmen got wind of what was going on, and they will still be like whispers if the bureaus persist despite the clearly established opposition which exists "on the Hill" and in the trade. All this is because we have lacked the foresight clearly to "lay down the law."

A more unhappy choice than copper could not have been selected for this action. Of all basic metals, copper is among the most volatile pricewise. It is common knowledge that leaders of the industry were already rightly concerned over the harm done their business by frequent wide and unpredictable price swings. This sensitiveness has been in marked contrast with the stability of the metal's chief rival, aluminum. For the bureaus to have given serious consideration to the sale of large stocks was certain to have caused pronounced jitters in a market which, only a few months ago, was so much in the doldrums that the Senate approved absorbing 150,000 tons for the stockpile, and which is only now about regaining its equilibrium. The proposal was certain to have "upset the applecart" and provoked the comment that "the matter had been inexpertly handled."

But, of course, merely to criticize this blooper falls far short of providing the serious consideration which the situation deserves. The American public has rightly been reluctant to have the Government "operating" in the market. For that very good reason, it was provided, when the stockpiling of materials was authorized, that only the President could release materials in time of emergency, and only Congress in time of peace. These provisions apply only to materials formally incorporated into the stockpile; large quantities of materials—like the 128,000 tons of copper are, however, owned by the Government outside the stockpile, and, as this incident demonstrates, have been left as loose ends. Why don't we face that issue?

The locking up of all such materials in the stockpile is not necessarily the only solution, or even the best that could be devised. Paradoxically, the tin industry has pointed the way to what might well be a much better approach. What has been done by other nations for tin, might well be considered by us not only for copper, but for other accumulated stocks. We say paradoxically because, while the United States has entered into international agreements on wheat and sugar, it has refused to be a party to the international tin agreement, although we are by far the largest consumer (and stockpiler) of tin in the world. Nevertheless, we may well learn from the operation of that agreement how best to meet the problems of what to do with our enormous quantities of other materials, problems which are only now beginning to bother us.

The tin agreement has the great merit of establishing beforehand the precise price levels at which accumulated stocks may and must be offered for sale. No one anywhere need by surprised to encounter offerings of tin from the "buffer stock" if the price for the metal reaches and rises above certain prespecified levels. This is in marked contrast with what the bureau officials were planning to do with copper, as well as with the complete insulation of such inventories in the strategic stockpile, as proposed by some who understandably disagree with the possible surreptitious feeding of stocks to the market at whatever levels bureau heads might choose. Rather than not establishing whether the markets would, or would not, be called upon to absorb any part of Government stocks, a procedure modeled on that for tin, would give advance notice of offerings, and the levels at which they could be made.

Let it be recalled that excessively high prices are as bad for copper as they are for any other commodity. We know the pressure to which the Government has been subjected to support copper when large surpluses have coincided with low prices. We know the absurd heights reached in 1956 following the absorption of 100,000 tons of Chilean copper in 1954. We can imagine what the price would be today if, last year, we had absorbed another 150,000 tons as proposed by the Senate. The one way to avoid the boom that would insure a following bust would be to serve notice of the availability of Government owned materials at levels which are obviously excessive. Stocks so liquidated would thus serve a doubly useful purpose. What happened in Washington last week should put us to work devising better machinery for handling copper than has yet been prescribed. One fiasco should be enough.

The PRESIDING OFFICER. Is there further morning business? If not——

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed. The Chair lays before the Senate the unfinished business, which is S. 1555.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. ERVIN], striking out title VI in the bill.

The Senator from North Carolina has 1 hour and 7 minutes remaining for debate, and the majority leader has 1 hour and 22 minutes remaining in opposition to the amendment.

Mr. ERVIN. Mr. President, I yield 10 minutes to the distinguished junior Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise to support the amendment offered by the Senator from North Carolina [Mr. ERVIN]. I wish briefly to explain my reason for so doing. I would have preferred to have an opportunity to vote on title V of the administration's bill, S. 748, which includes Taft-Hartley Act amendments, and which also includes practically all the Taft-Hartley amendments contained in title VI of the pending bill. In addition to those contained in title VI, there is also a prohibition against secondary boycotts and against blackmail or recognition picketing.

Mr. President, my chief concern with the deficiencies of title VI of the pending bill rests on the fact that the amendments proposed by title VI do not touch upon these very important fields. The

amendments ignore these fields completely.

If the Ervin amendment should prevail, I suggest that the Senate would then be in a mood to vote no Taft-Hartley Act amendments at this time. We could then proceed with the admonitions of the blue ribbon committee, at a time when they were ready to suggest to the Committee on Labor and Public Welfare amendments to the Taft-Hartley Act, and enter the very important and controversial field of Taft-Hartley Act amendments separately.

If the Ervin amendment shall be defeated, I am afraid we will be here for a long, long time, because such action will open the door to all conceivable amendments to the Taft-Hartley Act. I am certain that controversial fields such as section 14(b) will be gone into. I am sure that amendments will be proposed in the utility fields. I can very well imagine spending days and days on this one title, namely, title VI.

I said yesterday that I would be perfectly willing to consider only two amendments to the Taft-Hartley Act, namely, amendments dealing with the boycott and picketing fields, and excluding everything else from consideration until a later time. Of course, we were not able to come to any agreement on such a proposal.

If we were able to follow that course, I am sure we would be able to vote such amendments up or down, and then, by agreement, not go into any other areas of the Taft-Hartley Act until such time as the blue ribbon committee has reported, and we would then be able to act intelligently.

Mr. President, I feel very strongly about the need for a prohibition against secondary boycotts and recognition picketing. If my tally of the possible vote on the Ervin amendment means anything, the vast majority of the members of the McClellan committee will go along with the Ervin amendment. I am not certain as to how the distinguished junior Senator from Massachusetts [Mr. KENNEDY] will vote, but I feel relatively sure that he might leave us on this proposal. However, to me the prospect is an indication that the Senators who have been very closely associated with this problem for the past 2 years recognize that every effective labor reform bill must go into the areas of secondary boycotts and blackmail picketing.

Mr. President, there appeared before our committee Mr. Godfrey P. Schmidt, one of the three court-appointed monitors of the Teamsters Union, and in a letter addressed to the distinguished junior Senator from Massachusetts [Mr. KENNEDY], and entered as a part of his testimony, Mr. Schmidt made a statement in regard to these two fields which I should like to read to my colleagues. It is particularly important because it comes from a man who lives with the the problem day after day. I quote paragraph 3 from Mr. Schmidt's letter:

> 3. From my conversations with rank and file workers, I am persuaded that they are as convinced as I am that no labor reform can be effectuated unless recognitional and organizational picketing is banned. Your prohibition of blackmail picketing is completely inadequate. In the first place, it neglects the rather obvious fact that your proposed section 8(b)7 (p. 48 of your bill) could very easily be evaded. In the second place, your language makes enforcement all but impossible. I see no reason why the coercive thrust of the picket line should be permitted to be used to prevent free choice of bargaining agents, which is supposed to be central to the labor relations policy of this country. When you questioned me on this point you were concerned with the plight of Puerto Rican workers who were being exploited by employers by means of low wages and bad working conditions. So am I. But such situations are far more rare, in my opinion, than the situation with which I am concerned, namely: the repeated instances of back-door agreements between corrupt or dictatorial labor leaders and employers, both of whom turn their backs on employees' wishes. Moreover, the case of the exploited worker can easily be handled by the traditional organizational methods which have made unionism great for many years past.

He went on further in his letter to discuss other points. However, I feel that the most pertinent point, next to what he says about picketing, is the one dealing with the need for regulation in the field of secondary boycotts.

I should like to read the fourth paragraph of the letter to which I have already referred. It is a short one:

> 4. Since the irresponsible power of labor leaders needs curbing (it is this power which gives them the opportunity to play dictator), secondary boycotts, which is a source of this power, must be limited. (The original intention of those who framed the Taft-Hartley law has been betrayed or frustrated by a whole series of Board and court decisions.) I think the administration bill's provisions in this respect should be incorporated in your bill. With growing impertinence, labor leaders dragoon neutrals into participation in their labor disputes. We need the rational limitation which the administration bill provides. I am not impressed by the argument that corrupt practices should be remedied by one bill and labor relations by another bill. What you must strike at is the source of untrammeled power exercised by labor leaders. You must submit that power to reasonable and civilized regulation. Most of the corrupt practices revealed by the McClellan committee have been made possible, against the wishes of the decent rank and file majority, precisely because union leaders have held at the head of the worker several cocked guns: (a) compulsory unionism without any effective intraunion bill of rights; (b) organizational and recognitional picketing; and (c) the secondary boycott bloated to the unconscionable grab for power now permitted by the Board and the courts.

Mr. President, it will be necessary for us to come to grips with this problem sooner or later. If the Kennedy-Ervin bill is passed in substantially the form it now is, it will not deal with this problem. It will only mean that the American people will be hoodwinked once again. Sooner or later they will get wise to us in the Congress and will demand that we get at the root of the problem which is found in the operations of certain labor unions today.

Godfrey Schmidt hit the nail on the head when he said the problem was power. If anyone were to ask me to reduce the 2 years of hearings and the millions of words spoken in them to one word, it would say: Power.

When we are getting only at the symptoms of the disease, and not reaching the disease itself, I suggest that we are not doing a complete job; we are neglecting our responsibilities as U.S. Senators, not only to ourselves and to the Constitution, but, most importantly, to the American people.

If the Ervin amendment prevails, I should say, as I said before, that it is an indication that the Senate is not desirous at this time of discussing any other Taft-Hartley amendments.

If the Ervin amendment fails, then I feel, as I said before, that Taft-Hartley amendments will come flowing in like the sunshine does in my native State of Arizona; they will be all over the place. We must deal with the weapons which have been placed in the hands of Jimmy Hoffa. We must take his guns away, or they will remain cocked at the heads of working people, at the heads of small businessmen, at the heads of the public—yes, and I might suggest at the heads of the union movement itself; because the American people, in spite of what Congress fails to do, will not continue to allow this abusive use of power in the United States. Power in the hands of the corporations was curbed when it got too strong. It was curbed when it got too big in areas of government. Sooner or later, because it is getting too big, the power of labor unions will likewise be curbed.

I shall not detain the Senate too long in this discussion. I believe everyone knows how I feel about this matter. I have served on the McClellan committee since the day it first went into operation. I have attended as many of its meetings as I could attend. I have read the transcript of those hearings which I could not attend. I am convinced beyond any question in my mind that if we do not approach the field of secondary boycotts and picketing, we shall not have a workable labor reform bill.

I shall vote for the Ervin amendment for two reasons: First, in the hope that the Ervin amendment, if it prevails, will admonish the Senate: Let us wait for the recommendations of the blue ribbon committee. I went along with the junior Senator from Massachusetts [Mr. KENNEDY] on the creation of the blue ribbon committee. I think they are carefully picked men. They are tops in their field; they have represented labor, management, and the public. They still do. I should like to wait to see what they suggest before we move into the field of amending the Taft-Hartley law. I had hoped the distinguished junior Senator from Massachusetts would join me in that desire and express to the Senate the view that we should not now consider amending the Taft-Hartley law.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. ERVIN. I yield 2 additional minutes to the Senator from Arizona.

Mr. GOLDWATER. I was in the process of rather wishfully hoping that the Senator from Massachusetts might proceed a little further in the reasoning which he and I have followed to some degree, namely, that action on Taft-Hartley amendments be deferred until such time as we can hear from the blue ribbon committee; or, in the absence of

that, that he heed my once again made plea that we consider only the areas of secondary boycotts and picketing. If he would agree to do that, I would agree to drop title VI and title V. I do not expect him to do that, but I wanted to go on record as having made that proposal.

I intend to vote for the amendment offered by the distinguished Senator from North Carolina. I hope many of my colleagues will join with me in doing so.

Mr. KENNEDY. I yield myself 1 minute.

I appreciate the proposal made by the Senator from Arizona. It is, of course, a proposal to trade an apple for an orchard. He is not giving away anything in which he is interested. We have in the bill title VI, which has been carefully thought out. The Senator from Arizona wants us to strike out title VI and consider only two items—boycotts and picketing.

It seems to me that the position which some Senators have taken, which is to strike out title VI and not make any adjustments of the Taft-Hartley Act has the virtue of consistency. It is my understanding that that is the position which the Senator from North Carolina has taken.

If we do not strike out title VI, I understand amendments will be offered to the Taft-Hartley act, and that such amendments will be carefully debated. But the position of the Senator from Arizona is that he wants to have title VI stricken out, and then to open up Taft-Hartley act, particularly the provisions relating to boycotting and picketing. I do not understand how Senators on this side of the aisle could be expected to accept that viewpoint.

Mr. GOLDWATER. I made two proposals. One was to go along with the plan we have discussed while waiting for the suggestions of the blue ribbon committee. In view of the fact that that committee is approaching some conclusions, we might wait for them and come to some type of agreement, such as we had last year, when, by arrangements made between the Senator from Massachusetts and the majority leader, a positive date was set when a bill would be before the Senate. As I recall, that date was June 12.

If we could discuss some such arrangement as that, I am sure Senators would be perfectly willing to drop their insistence on title V, title VI, secondary boycotts and picketing.

I say let us wait. It might be another 2 months; it might be, as I suggested to the Senator from Massachusetts, in the next session. I am not in such a rush that I want to hurry the blue ribbon committee. So my proposals were really two in number.

What I am really attempting to do is to forestall long debate and arguments on the floor, which I feel certain will ensue, when amendment after amendment is offered to the Taft-Hartley law, and we start to do again precisely what the Senator from Massachusetts has objected to many times, namely, write a labor bill on the floor of the Senate without benefit of hearings. That is my concern in the matter.

It might not sound consistent with my desires to go into the fields of secondary boycotts and picketing; but if I could have the assurance of the chairman of my subcommittee that we would have that backed up by a day positive, and that backed up in turn by the majority leader, I think we could come to a very quick and happy solution of the matter. If the Senator from Massachusetts would like to entertain such a suggestion, not on the time of the Senate—we could retire to the cloakroom—I should be very happy to discuss it further with him.

Mr. KENNEDY. Mr. President, I yield myself 1 minute.

I said to the blue ribbon committee, when it was created, that it was my intention to press for action on their report as soon as it was filed. That is still my intention. I myself am committed to report a second bill to the Senate. I will make every effort to do so. I am delighted that the Senator from Arizona feels the same way. I do not believe we have finished the whole job of labor-management reform by this one bill.

I think we have done the job of reform fairly well. But other things must be dealt with; and I hope it will be possible for the Committee on Labor and Public Welfare to report another bill to the Senate, certainly in this Congress, if not at this session, which will deal with the overall problems which have arisen during the 12 years the Taft-Hartley Act has been in effect.

Mr. GOLDWATER. Will the Senator from Massachusetts agree with me that we might reach a positive approach to this matter? What I am trying to reach, by means of this exchange, is an agreement or understanding that, following the vote on the Ervin amendment—and I sincerely hope the Ervin amendment will be adopted—all amendments dealing with the Taft-Hartley Act shall be considered in a separate bill, to be brought before the Senate later at this session, and thus have the Senate act at this time on all the other parts of the pending bill which both the Senator from Massachusetts and I agree must be enacted.

Mr. KENNEDY. Of course I am not in a position to bind the Committee on Labor and Public Welfare; neither am I able to bind the Labor Subcommittee. As my colleague realizes, there is no previous-question rule or rule of germaneness; and thus it is never possible for the chairman to make a commitment, for the subcommittee, that no amendments to the Taft-Hartley Act will be dealt with at this time.

But as chairman of the Subcommittee on Labor, I will say that it is my firm intention, in order to keep faith with the blue ribbon committee, to bring to the floor of the Senate, as soon as the hearings have been held, proposed legislation which will deal with the overall problems of the Taft-Hartley Act. That is my hope, and I will do all I can to achieve such an end.

Mr. GOLDWATER. Last year, through the combined efforts of the Senator from Massachusetts and the majority leader, the senior Senator from Texas [Mr. JOHNSON] we got the labor bill on the floor of the Senate. I feel certain that if, somehow, in the next few minutes or few hours the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from North Carolina [Mr. ERVIN], and possibly the Senator from Arkansas [Mr. MCCLELLAN]—and I would be perfectly willing to make myself a party to the meeting—got together, we might come to a conclusion which would, in effect, remove the roadblock from in front of this bill.

Mr. KENNEDY. If the Senator from Arizona was then convinced that such a second bill could be gotten through this Congress, would he then vote against the boycott and picketing amendments which have been proposed?

Mr. GOLDWATER. So far as I know, they are not now before the Senate. I have not seen them. So I am not in a position to say whether I would or would not.

But I will say that if we could decide on a positive date, I would be very, very generous in my attitude in regard to my present position, because what I want to have happen is exactly what the Senator from Massachusetts desires—namely, a workable, honest labor-reform bill.

What disturbs me is to hear my own colleagues who have joined with the Senator from Massachusetts and other colleagues all over this floor say, "Well, this bill does not go far enough; we know that. But it is a step in the right direction."

The problem now before us is one of such monstrous proportions that I believe we need to deal with it by more than one step. If we could act later in the field of amending the Taft-Hartley Act, and could do so in an atmosphere different from the present one, so that we would then deal with proposals which the blue-ribbon committee itself either might have proposed or might not have proposed—I refer to highly controversial proposals which, if acted on in connection with the pending bill, would delay for 2 or 3 weeks our action on it—I would go along with such a suggestion.

Mr. KENNEDY. The Senator from Arizona is the ranking minority member of the Committee on Labor and Public Welfare. I think both of us will use our best efforts to bring such a bill to the floor during this Congress.

Mr. GOLDWATER. Then I hope we can reach a conclusion to drop from consideration in connection with the pending measure all proposed amendments to the Taft-Hartley Act, and to let them wait until the blue ribbon committee reports.

Mr. ERVIN. Mr. President, I wish to thank the able and distinguished Senator from Arizona [Mr. GOLDWATER] for his very valuable contributions to the debate on this amendment.

Before I yield time to the able and distinguished junior Senator from Idaho [Mr. CHURCH], I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from North Carolina realize that if he now suggests the absence of a quorum, the time required for the quorum call will have to be charged to the time available to his side?

Mr. ERVIN. Yes.

The PRESIDING OFFICER. Very well.

The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I yield 15 minutes to the able and distinguished junior Senator from Idaho [Mr. CHURCH].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 15 minutes.

Mr. CHURCH. I thank the Senator from North Carolina.

Mr. President, legislative issues are seldom as simple and uncomplicated as we would like them to be. In the pending bill and in the amendments which have been offered, or will be offered to it these issues assume an undue confusion.

A Senator's record, in the common acceptance of that term, namely, his votes on controversial legislation, can readily be distorted to a public which has been taught to look for the slogan issue, the capsule news, and the key vote.

So it is with the bill before us. I am aware that this explanation of my reasons for supporting the pending amendment will be little heeded or remembered. But I have received many communications, including a fistful of telegrams which have come this morning from union leaders in Idaho, adverse to the pending amendment. So I feel obliged to make public my conclusions with respect to the pending amendment and the other major amendments anticipated.

Mr. President, I hardly need to say that I am a friend and supporter of organized labor. The rank and file of labor is the rank and file of America; and the leaders of organized labor, with few exceptions, seek progress, prosperity, and peace for our Nation, as honorably and devotedly as do any leaders of industry, agriculture, or government. So I have never hesitated to support organized labor when I felt it to be right. Likewise, I shall never hesitate to oppose organized labor when I feel it to be wrong.

With these considerations in mind, I wish to state briefly the position I shall take with respect to the pending measure.

As a member of the Select Committee on Improper Activities in the Labor or Management Field, I feel a special responsibility to urge the Senate to take effective action now, in the interest of management and labor, and most especially in the public interest, to purge the labor movement of an alien, malign, and parasitic infestation.

Under the able chairmanship of the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], this committee has systematically exposed the sordid facts of corruption, racketeering, and unbridled personal power in the Teamsters' Union and in certain other parts of the labor movement. Month after month I have sat with the committee, assisting in the interrogation of a parade of gangsters, thugs, and hoodlums—and their victims—who have been called to testify before us. Many of these racketeers are feasting upon the earnings of honest working men and women. The exposure of these robber barons was long overdue, and I am proud to have had a role to play in exposing them.

Clearly something must be done. Last year, with only one dissenting vote, the Senate passed a measure which, in its collective judgment, would have helped to correct many evils exposed by the select committee. But that bill failed to pass the House of Representatives. Now the Labor and Public Welfare Committee has again reported a bill which reflects a thorough review of the select committee's hearings and findings and contains carefully drawn provisions to help free the labor movement from sinister underworld influences. It is an antiracketeering, not an antilabor, bill. Insofar as it deals with racketeering, I believe it will do much good. I have cosponsored it, and I intend to support it.

While there is very wide agreement about the provisions of the bill aimed at the racketeers, many of the amendments which have been proposed to the pending measure are highly complex and controversial. Because I feel strongly that the urgent need is to pass a measure which can be approved in the other body and become law at this session, I do not anticipate that I will support amendments which may compromise that objective.

When the Senate has passed its judgment upon an antiracketeering bill, I hope it will turn to a consideration of needed revisions in our basic laws governing the relations between labor and management. The Taft-Hartley Act has not been amended in its major features since its enactment in 1947. Time and experience under the act have shown that changes are needed. This is, however, an exceedingly complex and a highly difficult field. I expect the Labor and Public Welfare Committee to hold appropriate hearings to avail itself of the most expert advice and to report to the Senate its recommendations for revisions of the present Labor-Management Relations Act. Only in this manner, it seems to me, can the Senate discharge its responsibility to deal constructively with these sensitive problems. Therefore, I will oppose any attempt hastily to engraft upon the antiracketeering bill now before us amendments, whether they seem good or bad, which are foreign to its clearly defined objectives. To do so would increase the risk that no bill at all will get through both Houses of Congress.

This might create a political issue, as, I might say, an effort was made to create one in the last session; but certainly it would not cure the malignancy which now afflicts the labor movement. For my part, I prefer to work for sound and constructive legislation in both fields.

This brings me to a consideration of the special problem posed by the Ervin amendment to strike title VI from the bill. This title contains a number of amendments to the Taft-Hartley Act. It is significant, I think, that these amendments do not bear directly upon the problem of racketeering. It is significant also that most of them have been long urged, and are now welcomed, by the principal spokesmen for organized labor. Finally, it is significant that the bill contains none of the amendments to the Taft-Hartley Act which are opposed by organized labor.

I do not say that these amendments are wrong, nor that in a proper place I would not support them, but I can find no escape from the proposition that they do not belong in this bill. It is an antiracketeering bill; they do not deal with racketeering. If they are in fact noncontroversial, they can be offered separately, and readily passed by both Houses of Congress. If in fact they are controversial, this is not the place or the time to consider them. The distinguished Senator from Massachusetts has stated that changes in the basic laws relating to labor-management relations are needed; that the Labor Committee has obtained the services of a panel of distinguished experts to assist it in the preparation of legislation to accomplish these changes, and that we may expect the results of these labors to be presented to the Senate at a later date. I have every confidence that this will be done, and I believe that it is in the context of such a later bill that the Senate should deal generally with amendments to the Taft-Hartley Act which are not related to our present objective—purging labor of racketeers.

Mr. President, I believe the position I am taking is fair to labor, that it is fair to management, and that it is in the public interest. Senators know that other major changes to the Taft-Hartley Act will be offered as amendments to this bill. I expect to vote against them—and I expect to do this even though some amendments are offered which, on their merits, I would approve. I will do this because I think there must be a clear separation between antiracketeering legislation, on the one hand, and modifications of the Taft-Hartley Act, on the other, if we are to deal constructively with either group of problems. For this same reason, I shall vote for the Ervin amendment to strike from the pending bill the title VI amendments to the Taft-Hartley Act.

Mr. President, I shall say one thing more, and I shall try to speak plainly. If I understand correctly the temper of the country, it would be well to avoid the pitfalls which lie in the path of this antiracketeering bill. The McClellan committee has been exposing intolerable conditions for 2½ years. The racketeers have got to go. If it is true that most responsible labor leaders are willing to accept the degree of public control over union affairs which this bill entails, I say this is precisely what the public has a right to expect of them. It is the public interest which has been violated. That the violators are few in number and enemies alike of the public at large and honest workingmen, is all the more reason for responsible labor leaders to sup-

port this bill. Every day that passes without action here in the Congress strengthens the hand of those who would club to death our free, democratic labor unions on the pretext of exterminating racketeers. If this bill fails to pass, with or without title VI, I hope its death may never be laid at the door of responsible labor leaders, lest it one day be said of them: "They have sown the wind, and they shall reap the whirlwind."

Mr. President, I yield back to the distinguished Senator from North Carolina my remaining time.

Mr. ERVIN. Mr. President, I wish to thank the able and distinguished junior Senator from Idaho for his magnificent contribution to this debate. As a member of the Senate Rackets Committee and as a cosponsor of the pending bill, he has rendered a signal service to all the American people.

Mr. WILEY. Mr. President, will the Senator yield, so that I may make some insertions in the RECORD?

Mr. ERVIN. Mr. President, I ask unanimous consent that the time to be used by the able and distinguished Senator from Wisconsin not be charged against the time of those advocating the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

Mr. KUCHEL. Mr. President, I ask unanimous consent that the distinguished senior Senator from Wisconsin [Mr. WILEY] be permitted to address the Senate without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

INVEST-IN-AMERICA WEEK—AMERICA'S FIFTH ANNUAL CELEBRATION

Mr. WILEY. Mr. President, the traditional initiative and resourcefulness which were characteristic of the Founding Fathers of this great Nation are still an important part of the life of the American people today. In no segment of our economic and social life is this fact more nearly true than in the field of competitive enterprise; for it is here that the continued supply of the public's funds is absolutely essential—with sound investments in jobs, in savings, homes, insurance, and in sound securities.

Next Sunday, April 26, will be observed all over the United States as the opening date for the nationwide observance of the Fifth Annual Invest-in-America Week. This year the occasion will have particular significance; for, since last year's celebration of the Fourth Annual Invest-in-America Week, the overall economy of our country has happily experienced a marked upsurge from the problems of a period of discouraging recession. With characteristic optimism, the American people rolled up their sleeves and went to work; earnings and savings were invested to the benefit of hundreds of thousands of citizens, with the result that the American competitive system has produced the highest standard of living in history.

The objectives of the National Invest-in-America Committee, Inc., with headquarters in Philadelphia, is best summed up in the statement of its principles:

> The American competitive enterprise system was founded on the work and savings of the people and has produced the highest standard of living in history. Our people, of their own free will, have made all forms of investment from Government bonds to venture capital for new enterprise. Competitive enterprise is dependent on the continued supply of these funds, which benefit consumers, workers, and the national interest; as well as investors. Investing in America has helped make our country great. This idea needs to be brought home to all the people—men, women, and schoolchildren.

The outstanding work of this committee was recognized last year by President Eisenhower's message to the chairman of the Washington Invest-in-America Committee, in which he said:

> The annual observance of Invest-in America Week is a good time to reaffirm our belief in the power of work, savings and investments to create new business and better job opportunities for all our citizens. With effort and enterprise we will continue to advance the economic growth of our land. Congratulations to those engaged in making known the fullest meaning of Invest-in-America Week.

I have been pleased on several occasions to commend the national sponsors of Invest-in-America Week, along with all the many local groups throughout the land, as well as to invite the attention of my colleagues to the important way in which we can keep America strong by keeping our economy growing. I was happy to call attention to the third annual observance in March 1957, as recorded in the CONGRESSIONAL RECORD, volume 103, part 3, page 3668; and then again to comment on the fourth celebration of Invest-in-America Week on April 29, 1958, as recorded in the CONGRESSIONAL RECORD, volume 104, part 6, page 7570. At the close of that week, it was my pleasure to be the host at a reception in the old Supreme Court chamber, in the Capitol, honoring the national Invest-in-America officers and Washington Invest-in-America Committee members. Present were many of my colleagues in the Senate and House of Representatives, as well as leaders of the executive agencies in the Government and local business and civic leaders. Among the speakers at this reception were Julian Baird, Under Secretary of the Treasury; Edward Gadsby, Chairman of the Securities and Exchange Commission; Albert Cole, Administrator of the Housing and Home Finance Agency; Frederic Potts, of Philadelphia, chairman of the board of the National Invest-in-America Committee; and Barnum Colton, president of the National Bank of Washington and chairman of the Capital Invest-in-America group.

Next Monday, April 27, there will be a kickoff luncheon here in our Nation's Capital initiating the fifth annual celebration of Invest-in-America activities. Again it will be my pleasure to welcome fellow Senators and Representatives and to greet members of the National Invest-in-America Committee and local leaders in business and in the executive branch. At this luncheon there will be addresses by outstanding individuals, who will dramatize the principles of this constructive program and will stimulate interest in year-round activities.

Mr. President, the Invest-in-America program has ably demonstrated that it is a solid growth enterprise. In less than a decade, the organization—which was originally inspired by an editorial in the Investment Dealer's Digest in 1949—has taken root and grown steadily to the point that some 207 communities in the United States and the Hawaiian Islands participated last spring in Invest-in-America activities. In my own State of Wisconsin, Mayor Frank Zeidler officially opened Invest-in-America Week with a proclamation which stated, in part:

> By an adequate and intelligent program of personal savings and investment, each of us will be able to add immeasurably to our own personal welfare by stimulating production of wealth and hence prosperity for our Nation.

All over the State there was generous support from its businesses; and radio, press, TV, posters, and lobby exhibits carried the message to citizens of the Badger State.

This year, in order to expand Invest-in-America activities in Wisconsin, there was organized a State Committee composed of representatives from the Wisconsin Bankers Association, Wisconsin Manufacturers Association, the Wisconsin Chamber of Commerce, insurance companies, and investment brokers. Named chairman of the State Invest-in-America Committee was Mr. Roth S. Schleck, an able and industrious vice president of the First Wisconsin National Bank, in Milwaukee. At the conclusion of my statement, I ask that there be printed in the RECORD a letter I recently received from Mr. Schleck, together with a listing of the members of the Wisconsin Invest-in-America Committee.

In order to build a bigger and better future for America, it is necessary that the savings of the American people, in the form of retained earnings of corporations, as well as individual savings, provide the capital. A million new jobs a year call for at least $14,000 of new capital investment per job; which means $14 billion a year. And at least another $20 billion will be needed to maintain the plants and machinery providing the 66 million present jobs. America's future is worth working for because the past has shown that no other economic and political system produces the blessings we enjoy. In the words of one of the slogans of Invest-in-America: "Let every proud American become a missionary for the principle of a free America. Tell the world, 'I am a capitalist. I invest in America.' "

I send to the desk several items. The first is an article from a recent issue of the Milwaukee Journal which points up the steps being taken in Wisconsin toward observance of the fifth annual Invest-in-America Week. The second item is the previously-mentioned communication received from Mr. Roth Schleck, together with a listing of the Wisconsin Invest-in-America Committee. The third item is an outstanding

article by Mr. Robert M. Joline, who is on the board of State governors for the National League of Insured Savings Associations, entitled "Why You Should Support the Invest-in-America Program"; as printed in the National Savings and Loan Journal. And finally, as an indication of the high caliber of citizen on the National Invest-in-America Committee, I also include a listing of the officers and board of governors of this fine organization for 1959; together with a listing of the cities which are charter members of Invest-in-America. I ask unanimous consent that these items be printed at this point in the RECORD.

There being no objection, the articles, letters, and lists were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

INVEST-IN-AMERICA GROUP PLANS STATE-WIDE EFFORT

Wisconsin observance of "Invest-in-America week," a Nationwide program which has received scant attention outside Milwaukee in previous years, will be cultivated more extensively in 1959 and future years.

That was the agreement reached Thursday at a meeting here of a newly formed Wisconsin Invest-in-America week committee. Composed of leading representatives of the securities business, banking and insurance, the committee elected officers at a Wisconsin club meeting.

Roth S. Schleck, a vice president of the First Wisconsin National Bank of Milwaukee, was elected chairman. James A. Swoboda, resident partner in Paine, Webber, Jackson & Curtis, Milwaukee, was chosen secretary, and J. Victor Loewi, president of Loewi & Co., Inc., Milwaukee, was named treasurer.

THEY HAVE A STAKE

The week will be observed nationally April 26 through May 2. Schleck pointed out that it is not a 1-week promotion of investment but is chiefly an educational effort and a rededication to the purpose of the week: To help Americans understand how their earnings and savings can be put to work for their own best advantage.

"Many people don't realize they have a stake in the capitalistic system, such as represented in a pension fund," Schleck noted.

Swoboda emphasized that the week was not "and should not become self-serving for the financial institutions; that it should adhere to the broad objectives of the program."

Community committees in Milwaukee and other State cities will plan programs calling attention to the week. While these may not reach desired stature this year, they will lay a foundation for improved observances in future years, Schleck said.

FIRST WISCONSIN NATIONAL BANK,
Milwaukee, Wis., March 24, 1959.

Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Because of your interest in the purpose of Invest-in-America which you so ably demonstrated in your statement to the Senate last year, I believe you will be pleased to know that, in order to expand our activities in this State, we have organized a State committee composed of representatives from the Wisconsin Bankers Association, Wisconsin Manufacturers Association, the Wisconsin Chamber of Commerce, insurance companies, and investment brokers.

At the initial meeting of this committee, held last Thursday, the 19th, the preliminary plans were formulated for the observance of the 1959 Invest-in-America Week in Stevens Point, Janesville, Madison, Green Bay, Oshkosh, Fond du Lac, and Milwaukee.

Your continued support and recommendation would be invaluable to this program, and very much welcomed and appreciated. We know, from your work in behalf of sound investments, that you realize fully the importance of bringing this message to the American people.

Two newspaper clippings and a list of the committee members are enclosed for your information.

Sincerely,

ROTH S. SCHLECK,
State Committee Chairman,
Invest-in-America.

MEMBERS OF THE WISCONSIN "INVEST-IN-AMERICA WEEK" COMMITTEE

Clarence A. Bickel, partner, Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee, Wis., representing investment broker.

Carl A. Biederman, president, Oshkosh National Bank, Oshkosh, Wis., representing Wisconsin Bankers Association.

Robert E. Busbey, treasurer, Hardware Mutuals, Stevens Point, Wis., representing insurance.

John C. DeMaster, assistant vice president, Citizens Bank of Sheboygan, Sheboygan, Wis., representing Wisconsin Bankers Association.

Bruce M. Jeffris, president, the Parker Pen Co., Janesville, Wis., representing Wisconsin Manufacturers Association.

Walter Jensen, president, First Bank of Grantsburg, Grantsburg, Wis., representing Wisconsin Bankers Association.

Joseph T. Johnson, president, the Milwaukee Co., 207 E. Michigan Street, Milwaukee, Wis., representing investment broker.

L. J. Larson, president, National Guardian Life Insurance Co., 142 East Gilman Street, Madison, Wis., representing insurance.

J. Victor Loewi, president, Loewi & Co., Inc., 225 East Mason Street, Milwaukee, Wis., representing investment broker.

Andre J. Perry, president, First National Bank, Fond du Lac, Wis., representing Wisconsin State Chamber of Commerce.

Roth S. Schleck, vice president, First Wisconsin National Bank, Milwaukee, Wis., representing Wisconsin Bankers Association.

James A. Swoboda, resident partner, Paine, Webber, Jackson & Curtis, 605 North Broadway, Milwaukee, Wis., representing investment broker.

Robert E. Dineen, vice president, Northwestern Mutual Life Ins. Co., Milwaukee, Wis., representing insurance.

The following officers were elected at the meeting held March 19, 1959: Chairman, Roth S. Schleck; secretary, James A. Swoboda; treasurer, J. Victor Loewi.

WHY YOU SHOULD SUPPORT THE INVEST-IN-AMERICA PROGRAM

(By Robert M. Joline, National League Governor for Pennsylvania)

Invest-in-America is an effective means of bringing home to every American that our way of life—the free competitive enterprise system—provides the highest living standard the world has ever known.

Through Invest-in-America's continuous educational program more people are learning that, when a person opens a savings account, buys a home or a life insurance policy, owns a Government bond or share of stock, he becomes a part of the great American capitalist system.

Since its beginning in 1949, the Invest-in-America effort has grown to where communities in nearly every State and Hawaii now participate in activities designed to make us more aware of the role savers and investors play in assuring the abundant life we enjoy.

Invest-in-America Week, to be observed April 26 through May 2, is the big stimulant to year-round activities. In 1958, over 200 cities from coast-to-coast conducted appropriate observances to remind Americans that it takes investment in jobs, savings, insurance, homes, and securities to keep our Nation strong.

In Philadelphia, where the Invest-in-America activities originated, our Federal Savings & Loan Group has taken an active part in this development by giving time and thought and contributing funds. Our group's participation in Invest-in-America Week has been reflected, too, in cooperative newspaper advertising, in the sponsorship of radio-television information panels, in office windows and counter poster displays, and in other ways calculated to reach the public.

All business, and the savings and loan business in particular, should take advantage of every opportunity to combat economic illiteracy and help broaden understanding of the saving-investing process.

The Invest-in-America movement presents such an opportunity for constructive action. Savings and loan people in all parts of the country should further the effort by stimulating interest in Invest-in-America Week and assisting in observances this year. Our people will discover additional advantages in a coordinated effort with chambers of commerce, stock exchanges, junior achievement, industry, school systems, banks, securities firms, and insurance organizations.

Our own experience in Philadelphia strongly indicates that the spreading Invest-in-America philosophy helps more and more Americans to understand better the workings of our economy—an economy that draws its strength from the private accumulation of capital.

The goal of the National Invest-in-America Committee, Inc., with headquarters in Philadelphia, is to broaden the observance to more communities and to utilize more fully the support which can be rallied from groups like ours, groups which share our concern in conveying to the public this vital message.

The committee's objective is best summed up in the following statement of principles:

"The American competitive enterprise was founded on the work and savings of the people and has produced the highest standard of living in history. Our people of their own free will have made all forms of investment from Government bonds to venture capital for free enterprise.

"Competitive enterprise is dependent on the continued supply of these funds which benefit consumers, workers, and the national interest as well as investors. Investing in America has helped make our country great."

The need for the Invest-in-America movement is just as urgent as when the first local programs were begun 10 years ago. Progress has been made, but basic misunderstanding of our economic system still exists.

In pointing out that every American is an investor, that savings and investment are the life stream of competitive enterprise and the source of more and better jobs for Americans, we are performing a service for not only contemporary America but for those to whom we must pass our Nation's affairs in years to come.

Invest-in-America is most important because it deals with fundamentals that everybody should understand. It has excellent slogans: "Money at work means men at work," "Invest in America for more and better jobs," and "Finance is the life stream of competitive enterprise." Now that is language that is concise, that people know and understand. In supporting a program which will teach people to save and shoulder their responsibilities, we stand to accomplish a great deal.

If the idea can be impressed upon each person that he is a part of our economy, it will be a factor for his own good and for the good of the Nation.

There are a number of useful tools available to help do the job. Through I-in-A national and local committee activities peo-

ple get simple facts about the role of saving and investment in providing jobs. A colorful information kit is made available by the National Invest-in-America Committee to local committees, press, radio and television stations, and to private companies. In each kit are newspaper advertisements, color poster and window streamer, I-in-A messages which can be broadcast over office communications systems or posted on employee bulletin boards, a sticker and emblem, illustrated brochures and other material.

Savings and loan leaders in Philadelphia and other cities are joining forces with the financial, business, and industrial community to promote Invest-in-America Week. Talks by recognized civic and business leaders are featured. Radio, television, newspapers, and magazines carry the I-in-A message to millions of individuals. Company publications, billboards, street banners and posters hail Invest-in-America Week. Schools, churches, youth groups, service clubs, and civic organizations take part in this outstanding event. During Invest-in-America Week every citizen is encouraged to recount for himself the benefits that are his because he is an American.

Every person in a job and everyone with savings invested in a home or business has a need to protect his job and his investment. If an increasing proportion of our neighbors can be interested in the ownership of a home or some share of business, there will automatically be created a force whose interest will more nearly coincide with the interest of the financial and industrial community. The more and wider the savings—and the investments of savings in homes and in the businesses and enterprises of America—the greater will be our security.

What better investment is there for savings and loan businessmen, from a monetary point of view, than to participate in the Invest-in-America program and to push it year round? I am certain they will find it as rewarding as I have found it. And I am sure that everyone else who has been connected with Invest-in-America has found this to have been a satisfying experience.

THE NATIONAL INVEST-IN-AMERICA COMMITTEE, INC.

Chairman; National Invest-in-America Week, April 27 to May 3, 1958, Walker L. Cisler, president, the Detroit Edison Co.

Past National Chairmen: 1957, T. S. Petersen, president, Standard Oil Co. of California; 1956, R. G. Rincliffe, president, Philadelphia Electric Co.; 1955, Reese H. Taylor, president, Union Oil Co. of California.

Frederic A. Potts, chairman of the board, J. Earle Jardine, Jr., vice chairman of the board; Walter A. Schmidt, chairman executive committee; Rudolf F. Vogeler, secretary; Alexander Biddle, treasurer; Mrs. Kathryn M. Duffy, executive secretary.

Regional chairmen: East, J. Whitney Bunting; central, John Latshaw; West, Daniel J. Cullen.

BOARD OF GOVERNORS

Frederic A. Potts, chairman, president, the Philadelphia National Bank.

J. Earle Jardine, Jr., vice chairman, Wm. R. Staats & Co., Los Angeles.

Walter A. Schmidt, chairman executive committee, Schmidt, Poole, Roberts & Parke, Philadelphia.

Rudolf F. Vogeler, secretary, Drexel Institute of Technology, Philadelphia.

Alexander Biddle, treasurer, executive vice president, Philadelphia-Baltimore Stock Exchange.

Samuel R. Rosenbaum, counsel, impartial trustee, music performance trust fund, American Phonograph Industry, Philadelphia.

James B. Black, president, Pacific Gas & Electric Co., San Francisco.

John F. Bunn, Jr., Bioren & Co., Philadelphia.

J. Whitney Bunting, consultant-educational research, General Electric Co., New York.

Daniel J. Cullen, Walston & Co., San Francisco.

Robert W. Dowling, president, R. W. Dowling Realty Corp., New York.

Wilfred D. Gillen, president, the Bell Telephone Co. of Pennsylvania, Philadelphia.

Lee S. Harris, Jr., Frank G. Binswanger, Inc., Philadelphia.

Dr. Louis P. Hoyer, former superintendent of schools, Philadelphia Pa.

John Latshaw, E. F. Hutton & Co., Kansas City.

Ruddick C. Lawrence, vice president, public relations, New York Stock Exchange, New York.

Howard C. Petersen, president, Fidelity-Philadelphia Trust Co., Philadelphia.

Mrs. Mary G. Roebling, president, Trenton Trust Co., Trenton.

Eliot H. Sharp, Investment Dealers' Digest, New York.

C. A. Sienkiewicz, president, Central-Penn National Bank, Philadelphia.

Edward Starr, Jr., Drexel & Co., Philadelphia.

Reese H. Taylor, president, Union Oil Co. of California, Los Angeles.

Franklyn Waltman, director of public relations, Sun Oil Co., Philadelphia.

T. Johnson Ward, Merrill Lynch, Pierce, Fenner & Smith, Philadelphia.

Phelps Witter, Dean Witter & Co., Los Angeles.

Chartered cities: Atlanta, Ga.; Atlantic City, N.J.; Charlotte, N.C.; Dallas, Tex.; Denver, Colo.; Detroit, Mich.; East Orange, N.J.; El Paso, Tex.; Fresno, Calif.; Houston, Tex.; Kansas City, Mo.; Lincoln, Nebr.; Los Angeles, Calif.; Milwaukee, Wis.; Minneapolis, Minn.; Modesto, Calif.; New York, N.Y.; Norfolk, Va.; Oklahoma City, Okla.; Omaha, Nebr.; Philadelphia, Pa.; Pittsburgh, Pa.; Providence, R.I.; Red Bank, N.J.; Richmond, Va.; San Antonio, Tex.; San Diego, Calif.; San Francisco, Calif.; Savannah, Ga.; St. Louis, Mo.; Topeka, Kans.; Trenton, N.J.; Tulsa, Okla.; Washington, D.C.; West Palm Beach, Fla.; Wichita, Kans.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. KENNEDY. Mr. President, I yield 15 minutes to the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 15 minutes.

Mr. JAVITS. Mr. President, I shall vote against striking title VI from the bill. Fundamentally, my reason is that the Taft-Hartley law amendments which are to be made are desirable, are generally agreed upon, or are of a character which should be generally agreed upon, and should be made now while we have the bill before us, rather than later.

I have been listening to the debate with great interest, this morning particularly, and I find that the opposition to including title VI in the bill is not substantive, as we lawyers say, but is climatic. In other words, what is alleged is that there will be a climate created around the bill which will induce other Taft-Hartley Act amendments to come forward, whereas if we strike title VI there will be no such climate.

Mr. President, with all due respect to my colleagues, I say that is an unsubstantial argument. Indeed, I do not think it makes any sense at all, for the reason that there is no rule of germaneness. Any Senator can offer an amendment to the Taft-Hartley Act if he wants to do so. He can talk about it for as long as he desires. He can press for a vote. If it appears that he has sufficient support, he can ask for a yea-and-nay vote.

It will make no difference whether we strike title VI. One hundred and thirty-five amendments have been printed, Mr. President, and there is nothing on earth to prevent every one of the Senators who has amendments from offering every one of them, whether we strike title VI or not.

I respectfully submit that even if we strike title VI, we will not inhibit any Senator, except those who have spoken to the subject, and they are relatively a small number.

What are the reasons for including title VI in the bill? One reason for including it is that it deals right now, instead of 6 or 8 months or a year from now, with some very essential matters upon which there is or should be general agreement, and it does not take anything away from the present law, but adds things which are not now in it.

Mr. President, let us evaluate the situation in terms of the facts. First, title VI deals with the no-man's land. Right now the no-man's land is vacant, and there is nothing filling it in whatever. At least in title VI there is an attempt to have a little fill-in; that is, by providing for agreements between the National Labor Relations Board and those States—of which there are 12—which have labor relations laws themselves. That would not take anything away from the law now. It would not compromise the position of those who think the National Labor Relations Board ought to have labor relations matters in its complete control, or of those who think some questions should go to the State courts and to the State agencies administering their own laws.

Such a procedure would keep the fundamental situation as it is now, but would allow a little more amplitude, and let more States get into the situation, in order to cut down the caseload. I ask Senators, what is wrong with that?

The second provision is with regard to the building and construction workers. Everyone agrees on that matter. At least, everyone has said so time and time again. We cannot apply the Taft-Hartley law to the building and construction field. We all know the law is not being applied in that field, and we might as well recognize the fact in the law. This is an essential amendment, and the sooner we adopt it the better.

Third, there is an attempt to deal with voting in representation cases of economic strikers. The sole question is one of whether economic strikers shall be

entitled to vote in representation elections, or whether only those who filled the jobs in a strike shall be entitled to vote.

Mr. President, the President of the United States and most of the people of the country have generally concluded that economic strikers ought to be entitled to vote, and the sooner we make such provision the better in terms of labor peace and the freedom of the workingmen themselves.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. Will the Senator define what he means by economic strikers?

Mr. JAVITS. I will. Economic strikers are the strikers who engage in a strike which is for union organization, or which is for better terms and conditions or in connection with negotiation of a new union contract when the previous contract has expired. This does not refer to a striker who, because of unfair labor practices on the part of the employer, is entitled by law to reinstatement.

That is what I mean by an economic striker.

Mr. President, I point out there is a great area of agreement between the prounion people and the President of the United States, representing a sort of the middle-of-the-road attitude in this matter, and I think perhaps the best we can say is that those who feel there should be particularly restrictive laws on unions are the only ones who might raise a question about it.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. LAUSCHE. Has the Senator from New York given any consideration to what the situation would be when the economic strikers had been away from their work, let us say, for a year and had been replaced by new workers? How could the question ever be resolved with regard to who should be the bargaining agent for the workers? On the one hand we would have those who had taken the place of the economic strikers, and on the other hand we would have the economic strikers. How would the question be resolved, and how long would the economic striker be vested with the right to vote on an equal basis with the worker?

Mr. JAVITS. I should like to enlist the privilege with my colleague of separating the two questions. The first question is, shall they be permitted to vote; and, if so, how? The second question is, for how long?

With respect to the first question, the National Labor Relations Board has decided it. That was the situation under the Wagner Act. The economic strikers and the replacements both vote. The aggregate vote, depending upon the majority, will determine the representation. Both classes vote, not one to the exclusion of the other, but both vote.

The second question, as to how long this right shall persist is a difficult one. It troubles me, too. I think ultimately we may be receptive to some limitation of time, but the problem of time has not arisen practically. What has happened practically is that when an unreasonable time has elapsed, people float away, and as a practical matter, are not sufficiently interested to come forward and vote.

Quite apart from that, I agree with the Senator that there should be some consideration of the time factor. But I point out that it is not such an urgent problem that it cannot be dealt with in subsequent legislation, when we have the benefit of expert advice. In the meantime, this provision seems adequate, because it allows both the economic striker and the one who has filled his job to vote. I respectfully submit, as a matter of judgment, based upon all aspects of the question, that we can go ahead and enact such a provision now, even though we may reach the point, on the basis of technical advice, when we shall wish to establish a limit, as a protection, on the time within which an economic striker may be on strike and nevertheless vote.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LAUSCHE. I am glad the Senator from New York agrees with me that the question of the length of time during which the so-called economic striker shall be entitled to vote is one which should have attention.

Mr. JAVITS. Definitely.

Mr. LAUSCHE. My own view is that the question could have been taken care of in committee if there had been a desire to do so. I take it that the failure to place a time limitation on how long the right to vote shall continue is an indication that the committee did not deal with the question adequately.

Mr. JAVITS. I do not quite agree. I think the committee was dealing with a state of facts, on the record, which indicated that the time factor was not an actual problem. But I agree that it should be taken care of in late legislation. I do not believe that the failure to do so here and now means a material imperfection in this particular provision.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. The reason I asked the distinguished Senator from New York to define an economic striker was the concern I have in the very point which has been raised by the distinguished Senator from Ohio. I think we can agree—at least I agree—that if we deny the right to vote to the economic strikers, we effectually defeat the right to strike.

I believe everyone would have to admit that if one loses his right to vote by engaging in a concerted stoppage of work, the right to strike has been effectively curtailed, crippled, and defeated.

We have recognized the right to strike. The act itself provides that that right shall be preserved; and we should not permit it to be defeated.

However, I think the time within which the right to vote may be exercised is a substantive matter. I wish the committee had dealt with it. I think the least that should be done is to prescribe powers for the National Labor Relations Board to fix a time. Otherwise chaos and confusion would result, and there might be a lopsided situation in which people who had left the job many months previously might outnumber those who were carrying on.

I do not want them to forfeit the right to vote too soon; but, I think there should be a time limit, and in the absence of any specific provision in the act it should be clear that the National Labor Relations Board itself should have the right, by regulation, to prescribe the time within which the voting right may be exercised.

Mr. JAVITS. It is not an actual problem, but I agree that in view of the possibilities, it is a question with which it is desirable to deal. The fact that it is not dealt with in the bill does not constitute such an imperfection in this particular provision as to warrant discarding it, because the provision could be amended on the floor of the Senate, if we felt strongly enough about it, not as a reason for striking down the whole of title VI. That is the point I am making.

We have covered "the no man's land" provision, the building and construction industry, and voting by economic strikers. There are three other matters. There is the question of supervisors, which is practically unaffected, except for a group of people in the telephone business who were unfairly placed in the supervisors category, directly responsible to management. The bill started by transferring a considerable number of superivsors from the management category into the labor category, but that provision was abandoned in committee, which I think is a change very much for the better.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LAUSCHE. I had some difficulty in reconciling my thinking to the proposal of picking out one special class of employees and specifically declaring that they shall not be considered as supervisors. I suggest that we are entering into a dangerous field when, by category and classification, we begin exempting classes, instead of dealing with the subject on the basis of a general definition or general principle. I should like to hear the Senator's comment on that subject.

Mr. JAVITS. I believe that when we have a specific situation it is susceptible to this kind of treatment. Congress has the right to establish a special category. We are doing it with respect to building construction workers.

I believe the theory behind the provision with respect to these particular supervisors is that it is generally accepted that an exception should be made, and that it was pretty well agreed that it should be made, based upon the facts.

I do not believe that we must necessarily have generic legislation. Often we must legislate rather specifically, when the facts require it. I believe that the whole justification for the particular approach in this provision is the fac-

tual justification. The committee, by a very large majority, considering that subject in and of itself, was satisfied that an exception should be made in this instance.

To summarize, I do not quarrel with the Senator. I believe that, generally speaking, legislation should be generic; but I point out that in the interest of trying to retain the Taft-Hartley amendments only where it was generally agreed that the shoe was pinching, this one was included, based upon facts, and not upon argument or principle.

Mr. LAUSCHE. My own view is that we are definitely entering into the field of trying to legislate by class. We say that this particular type of employee connected with the telephone industry shall not be considered a supervisory employee. It is my understanding that the bill has no definition of the type of work this particular group is doing.

Let me repeat, that class legislation is not sound. When we enact class legislation for this group of 20,000, later other classes will come forward and ask that they be covered specifically rather than by general law.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. KENNEDY. Mr. President, I yield 5 minutes more to the Senator from New York.

Mr. JAVITS. Again I point out that I am only arguing for the proposition that we do not need to topple the entire structure of title VI in order to work our will on some individual imperfections which may exist. Fundamentally, it is desirable to include the provision because it covers some things which very urgently need to be covered.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JAVITS. Will the Senator from Massachusetts yield to me 2 additional minutes? Of course, I yield to the Senator from North Carolina.

Mr. KENNEDY. I yield 2 additional minutes to the Senator from New York.

Mr. ERVIN. Does the Senator believe that if we wish to bring in service assistants in the communications industry, we ought not to exclude persons doing exactly the same work in other industries, and therefore that we should have a general definition to include everyone, instead of covering persons on the basis of the title given them by their employers?

Mr. JAVITS. I cannot agree with that argument, because I think the entire justification is necessarily a factual one. The end sought by this particular provision in title VI is only to cover that for which we have a factual basis. We do not have a factual basis for making the provision generic, so we confine it to this particular place, where, as I stated a moment ago, the shoe is pinching.

Mr. ERVIN. If the Senator will yield further, I should like to ask him what would happen to these laws if the communications industry changed the title of the position.

Mr. JAVITS. I do not believe it is a matter purely of title. I believe there is a basis for a particular kind of activity. If the activity should be eliminated, the law would be obsolescent. I might say that the statute books are full of laws which are obsolescent. Such laws go back to the first laws which were enacted in 1789. Most laws on the statute books are no longer applicable. Some of them are laws dealing with runaway horses. They are no longer in use. I do not believe the point the Senator makes in that regard proves anything.

Mr. ERVIN. I will yield 1 more minute to the Senator from New York to permit him to answer this further question. Would not the enactment of the provision to which we are referring put the communications industry in the position of amending an act of Congress?

Mr. JAVITS. No, I do not believe so; any more than acts of Congress were especially amended when horsecars were eliminated from the streets of our cities. They were eliminated from the street on which I was born in New York City. The horsecar companies were probably regulated by some very complicated charter regulations in the city of New York and in the State of New York.

The fifth point contained in title VI has to do with prehearing elections. It deals with cutting down the workload of the National Labor Relations Board. The so-called McKinsey committee efficiency experts, reported that the NLRB workload might be cut down by as much as one-half by the adoption of the suggested procedure.

The last provision would provide for a temporary General Counsel of the National Labor Relations Board. I do not believe there is any dispute about that.

To sum up the argument for title VI, it seems to me that the whole objection to the enactment of title VI is based on the belief that labor may like it. Is that an argument for voting against it? Are we going to vote against a proposal because it may be favored by some persons? If we are to do that, we will be following a standard which could easily destroy us. Some day we may be passing legislation which labor does not like, but which management likes. Shall we vote against a provision merely because labor may like it, particularly when every Senator is given an opportunity to offer any amendment he wishes to offer? I do not intend to vote on any such basis.

Mr. President, the bill does something more than legislate in the fields covered by title VI. It establishes as law the principle of democracy in unions. It adapts to their internal administration the standards of honesty and fair play which are basic to our society. It provides for conditions which would make for integrity in the relations between unions and representatives of management. This, coupled with such Taft-Hartley law amendments which at least would be a partial answer to some problems, gives us a bill worth enacting into law.

The difficulty of adopting any amendments to the Taft-Hartley law for more than a decade—only one amendment to it has been adopted in that time—should certainly convince us that to seek a set of full and finished amendments in this one bill is to seek the impossible, or, what is more likely, to attain nothing because either side seeks everything.

The subject of organizational picketing, which some persons like to call blackmail picketing—I do not know why they call it that, except to tag it with a name, because certainly it does not get down to the substance of the subject—involves questions which are fundamental to the operation of unions.

Mr. President, there is a great newspaper in my home town, the New York Times, which has objectively analyzed the pending bill. It comes to this conclusion:

> But the public interest, and labor's too, clearly calls for the passage of S. 1555. Its defeat would set labor reform back on its heels in the present session of Congress. It would be a calamity for the Senate to turn it down merely because it doesn't go far enough.

After pointing out title VI of the bill as highly controversial, it adds:

> Even at that, the opposition has been focused here, too, not so much on what is in the bill as what has been left out.

I come back to the point that the opposition, when it is boiled down, is primarily based on the contention that labor may like the bill. What is wrong with that? Labor has been living for 12 years with the Taft-Hartley Act, which it does not like. Suppose Congress could do something that it did like. Would that be wrong or bad or any reason for defeating the proposed legislation? I do not believe so. Therefore, I hope that the Ervin amendment will be rejected. I yield back the remainder of my time.

Mr. KENNEDY. May I ask the Presiding Officer how much time remains in favor of the amendment and how much in opposition to the amendment?

The PRESIDING OFFICER. Forty-eight minutes remain in opposition.

Mr. KENNEDY. How much time remains for the proponents?

The PRESIDING OFFICER. Thirty-eight minutes remain for the proponents.

Mr. KENNEDY. I wish to congratulate the Senator from New York for his very effective presentation in delineating the real issues involved in the Senate's consideration of title VI of the bill.

Mr. JAVITS. I thank the Senator.

Mr. KENNEDY. I yield 10 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, I will vote against the amendment of the senior Senator from North Carolina [Mr. ERVIN], which would strike from the bill title VI, dealing with the Taft-Hartley Act in several particulars. As a member of the Committee on Labor and Public Welfare I wish to explain my reasons. First, I take this position because the amendments to the Taft-Hartley Act contained in title VI, concerning "no-man's land," the building construction industry, prehearing elections, and economic strikers, were very thoroughly considered by the Committee on Labor and Public Welfare. The committee held extensive hearings on these subjects in 1958, and again this year. Last year all the amendments were approved by the Committee on Labor and Public Welfare in substantially the same form

and were a part of title VI of the Kennedy-Ives bill, S. 3974, which, after debate, was passed by the Senate by a vote of 88 to 1.

Furthermore, the Senate should keep in mind that the President of the United States and the Secretary of Labor have recommended that action be taken in these very fields; title V of the administration, bill S. 748, which, I understand, will be offered, contains amendments dealing with every one of these subjects, although the approach is different in certain respects.

Actually, the proposal of the administration bill which would give economic strikers the right to vote is in the exact language contained in title VI of the bill before us.

What I have said about the thorough consideration by the committee of title VI and its support in principle by the administration does not mean that when specific amendments are offered to the various sections of title VI that Members of the Senate are bound by the committee's view. For myself I wish to say that when we come to the section dealing with no man's land I shall vote to amend that section, and, if necessary, I will offer an amendment to it. If the amendment of the Senator from North Carolina fails, as I believe it should, we shall have the chance to consider each section of title VI separately on its merits and, in my opinion, that is the proper way—the only way—we can proceed in this highly technical field. Every one of the amendments to the Taft-Hartley Act, with the exception of section 606, which the Senator from New York [Mr. JAVITS] has mentioned, and which was unanimously adopted by the members of the Committee on Labor and Public Welfare, has been thoroughly considered and debated by the committee and on the Senate floor last year.

There is no reason for postponing votes on the sections which are included in title VI of the Kennedy-Ervin bill.

As amendments arise, there will be an opportunity to express my views on specific amendments. But at this time I wish to make a general comment on the bill itself. At the outset of this debate, it is being said that unless title VI of the bill is further amended, particularly as regards picketing and secondary boycotts, we will be passing an ineffective bill that is a hoax and against the public interest. It is said on the floor of the Senate, and I am deluged with telegrams from employers and others making the same statements.

I appreciate and want the views of everyone, but I disagree categorically with their view that the bill is without value. I will not discuss the different titles in detail. They have been analyzed by the chief sponsor of the bill, and they will be discussed further during the debate. Briefly, title I deals with the reporting and disclosure of the financial transactions of unions, and prescribes severe penalties against union officials for wrongdoing against their members.

Title II limits the assumption of trusteeship and the control by national or international organizations over a local or a subordinate union, and prescribes means by which a local union can assert its freedom.

Title III insures larger democratic procedures in the internal affairs of a union. These ends have been demanded by the public for years, and surely their accomplishment by the Congress, will not render them "valueless," "ineffective," and a "hoax" as is now claimed. If no additions are made to this bill, and if it be passed, it will mark substantial progress in insuring democratic procedures in unions, and against wrongdoing by corrupt union officials.

Many of the present Members of the Senate were in Congress at the time the Taft-Hartley Act was passed. I was in the Congress and voted for the bill. Those who remember the debate and all of us who have served on the Committee on Labor and Public Welfare know the fixed positions that labor and management take on amendments relating to the Taft-Hartley Act, and, in truth, on nearly every phase of labor-management relations. Yet as Members of the Senate we are not bound by those fixed positions: We are here to exercise our judgment—taking into consideration the public interest, as well as their claims.

There are great interests involved in the bill. The bill affects the delicate economic relationship between labor and management. It is human in its implications because it deals with the welfare of millions of union members. It deals also with the public interest.

In addition to the holding of hearings, the committee spent 3 weeks in executive discussion of the bill, section by section. The bill was improved. I pay tribute to my colleagues in the minority, for we strengthened and improved many sections and I congratulate the junior Senator from Massachusetts [Mr. KENNEDY], for his objectivity and his fairness in the consideration of the bill, and his leadership in its development.

As the Senator from New York [Mr. JAVITS] has said, the bill is now being judged by some, not upon what is in it, but upon the provisions not included in the bill. We will debate them as they arise. But the fact that they are not in now, or may not be included later, does not mean the bill is ineffective. Let us remember that 88 Members of the Senate voted for it last year.

So far as I am concerned, after weeks of discussion of the bill in committee, I reject, categorically, the statement that the bill does not mark any progress in the important field with which it deals.

Mr. ERVIN. Mr. President, I yield 5 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, last year, when the Kennedy-Ives bill was before the Senate, I joined in sponsoring an amendment offered by the Senator from Arkansas [Mr. MCCLELLAN] which providing for the striking of title VI from the bill. That was the final title. I did so because I believed, first, that the last title of the bill would impair the possibility of the passage of the bill. Second, I did so because I thought that the items contained in title VI were controversial. Third, I cosponsored the amendment because I felt that if title VI were to be included in the Taft-Hartley Act, the Senate should have given consideration to the proposal banning blackmail picketing and secondary boycotts.

It is said by the opponents of the Ervin amendment that all the items in title VI are noncontroversial. Therefore, I put this proposition: Under title VI the building crafts unions will practically be exempted from the provisions of the Taft-Hartley Act. An employer or a contractor will be permitted to enter into a bargaining contract with a union even though no one is working for that contractor. In other words, the contractor and the union agent will be able to make a collective bargaining agreement without the consent of any future or existing workers. I submit that that is the antithesis of liberty and freedom in this country.

If I am a carpenter or a plumber or a tinner or a plasterer, shall I not have the right to speak up concerning who is to represent me in the bargaining process? It cannot be controverted that under this provision the contractor and the union agent can make an agreement without any consent from the workers.

To point out the evil of the provision, I call attention to the provisions contained in the original bill of the administration. Secretary of Labor Mitchell sent a letter to the committee holding hearings on the bill. He recommended this prehire provision, but the Secretary of Labor had a love for liberty which was deep enough to enable him to say:

> No certification would be made under this amendment if there was no history of collective bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation and the Board found that a substantial number of employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

The language recommended by the Secretary of Labor was intended to protect the liberty of the worker. But that recommendation was audaciously and bluntly rejected.

I think that in the final analysis, the welfare of the American laboring man depends upon the preservation for him of his liberties. When we pretend that we are giving him something by taking away from someone else the liberty which belongs to him, I submit we are giving him a toxin rather than a tonic.

Liberties have not been taken away at one fell swoop; they have been whittled away under the pretense that good was being done while liberty was denied.

I should like to say one further word on the subject of class legislation. I am a lawyer.

The PRESIDING OFFICER (Mr. HART in the chair). The time yielded to the Senator from Ohio has expired.

Mr. ERVIN. Mr. President, I yield an additional 5 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for an additional 5 minutes.

Mr. LAUSCHE. I thank the Senator from North Carolina.

Mr. President, I once served on the bench. As a judge, I had situations of this type come before me; and other judges have been confronted with similar situations. When a judge examines a law, and finds that it was written for a special, small class, the first thing he asks is, "How is it possible? How can the legislative branch write special legislation for a special class, when many other classes which fall into the same general category have not been dealt with?"

I submit that there is grave question about the constitutionality of this proposal, when the Congress of the Nation attempts to write a law which, in effect, will provide for the exemption of one small class of 24,000 workers among 60 million workers. Such action simply is not logical and is not compatible with the sound drafting of laws.

Mr. President, I shall vote for the Ervin amendment because in my opinion the view that the provisions of title VI are not controversial amounts to wishful thinking, not judgment based on sound reasoning. Some have wished to take the view that such provisions are noncontroversial; and thus there are some who favor the inclusion of those provisions in the bill.

Mr. President, if we are to deal with the Taft-Hartley Act, let us deal with it fully. If we are not going to deal with it fully, then let us deal only with matters which relate to the internal management of the unions.

Those are my views; and I am glad to say to the Senator from North Carolina that I am happy to support his amendment.

Mr. ERVIN. Mr. President, I yield 5 minutes to the able and distinguished Senator from Florida [Mr. SMATHERS].

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Florida is recognized for 5 minutes.

Mr. SMATHERS. Mr. President, in the last Congress it was my conviction that a great step forward was taken by the Senate when it acted to curb irregular practices and to eliminate the racketeering element in unions, in order to protect the rank-and-file union members. That proposed legislation dealt solely with the field of the internal affairs of unions. Unfortunately, that measure was not passed by the House of Representatives.

This year, Mr. President, a labor-reform bill is again before us. The first five titles of the bill deal with relationships between unions and union officers, on the one hand, and the rank-and-file union members, on the other. These five titles deal solely with labor reform in the field of the internal affairs of unions.

On the other hand, title VI of the bill consists of proposed amendments of the Taft-Hartley Act—a field separate and distinct from the area with which the first five titles of the bill are concerned.

Title VI relates to the external affairs of unions, and extends the jurisdiction of unions into areas in which they have never had jurisdiction before. In my opinion, these matters are not adequately dealt with by the present provisions of the bill.

As the bill now stands, it includes only provisions which are favorable and acceptable to the unions. The bill as it now stands does not constitute a forthright approach to the many problems which affect not only labor and management, but also the public interest.

Congress must, therefore, of necessity deal with the many problems in the field of unions and their relationship to the general public, and certainly must deal with them adequately at a future time.

Because of the inadequate treatment of the many problems in the field of labor-management relations and the relationship of the unions to the public, it seems to me that title VI should be deleted from the pending bill, and the bill confined chiefly to dealing with the internal affairs of unions, their officers, and the responsibility of both to the rank-and-file union members. This is an essential first step which must be taken if progress to eliminate union abuses is to be made. I share the opinion that it would be a mistake for the Congress to attempt to deal with both of these fields in this one piece of proposed legislation.

As we observe from reading page 5 of the committee's report, the committee itself has recognized the necessity of giving consideration to the enactment of separate legislation in regard to the labor-management field, and has appointed a panel of experts to advise it on appropriate modifications of existing law. There is an indication that the committee will move as soon as practicable into this area of legislative revision.

If the Committee on Labor and Public Welfare itself has recognized that the bill as it now stands attempts to deal with two different fields, and that it attempts to deal with only one of them—namely, labor-union reforms—with apparent adequacy, why, then, should amendments to the Taft-Hartley Act be proposed separately and distinctly from the provisions which deal with labor-union reform? I think that appears to be like offering a piece of candy to a sick child, in order to get him to take the necessary medicine which is vital to his own health.

Mr. President, I will support the Ervin amendment to delete title VI from the pending bill, for the reason that I believe the bill should be confined to what must necessarily come first—namely, labor-union reform legislation, to eliminate graft, corruption, abuse, and other irregularities of unions and union officers, and to afford substantial protection to the rank-and-file union members. I believe that is the proper approach to the problem which is facing us.

Mr. President, if the Ervin amendment to delete title VI of the bill is not adopted, then I propose to support amendments, which I understand will be offered by the able Senator from Arkansas, and possibly by other Senators, which go further into the entire labor-management field, and particularly have reference to ways and means of tightening up the provisions with respect to secondary boycotts, organizational picketing, and proposed legislation designed to eliminate the so-called "hot cargo" practices which now are being indulged in.

I think the general public expects us to divide this problem into those two parts, as originally intended, and first to clean up the unions and eliminate corruption from them—although, of course, such conditions exist only in some unions, and are not found in all unions. I believe the Kennedy-Ervin bill does a good job in that field.

But when the pending bill reaches into the area of the union's relationship with the general public, and only halfheartedly deals with that subject, and does not face up to the pressing problems which have been so vividly demonstrated in the course of the hearings held by the McClellan committee, there is a failure to do the necessary job; and I think if we favor such an approach, we fail to do our duty.

Therefore, Mr. President, if the Ervin amendment to delete title 6 of this measure is not adopted, I will support amendments which will be offered in order to give meaningful effect to the handling of problems in the labor-management field.

There is just one other point I would like to bring out if we are to legislate here on the floor of the Congress Taft-Hartley amendments.

Under the act as I have always understood it, certain exemptions are permitted seasonable industries, and those in existence which have little or no effect on interstate commerce. I refer to the seafood industry, itinerant agricultural workers and the hotel industry in my own State. There are efforts to exert National Labor Relations Board jurisdiction over these industries. It is clear that their primary activities are intrastate and most certainly these exemptions should be continued. I intend to support amendments to achieve this objective also.

Matters dealing with amendments to the Taft-Hartley Act relate not only to unions, but management, and in particular the public interest. Consideration of the amendments should not deal only with labor or management. They should take into consideration the primary objective of adequately protecting the public interest. This is a field which should be considered separately from the pending bill.

It is my firm conviction that if anything is to be achieved at all in labor union reform, we must confine ourselves to the first five titles of the pending bill.

I sincerely trust that the Senate will adopt his course of action.

Mr. LAUSCHE. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. DODD in the chair). The time yielded to the Senator from Florida has expired.

Mr. ERVIN. Mr. President, I yield 1 additional minute to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional minute.

Mr. SMATHERS. I thank the Senator from North Carolina.

I yield to the Senator from Ohio.

Mr. LAUSCHE. Will the Senator from Florida elaborate on what he had in mind when he said the proposed solution appears to him to be similar to offering a piece of candy in order to obtain acceptance of what is good, whereas without

the offering of the candy, what is good will not be taken?

Mr. SMATHERS. In reply, let me say to the Senator from Ohio that the general appearance of the bill in its present form is that in order to get the unions—that is to say, the union heads, possibly not the union members—to go along with this bill, which is necessary medicine which most of them agree they need to take, we have to give them a "piece of candy." Apparently that is the view of the Committee on Labor and Public Welfare.

Certainly that is what title VI of the pending bill—just a piece of candy which actually we should not have to give them, because I think the McClellan committee hearings have amply demonstrated that graft and corruption do exist in some unions and should be eliminated from them. So certainly it should not be necessary to give candy to any union, in order to get them to agree they will stop cheating their own members.

Furthermore, Mr. President, let me say——

The PRESIDING OFFICER. The additional time yielded to the Senator from Florida has expired.

Mr. ERVIN. Mr. President, I yield an additional minute to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 additional minute.

Mr. SMATHERS. I thank the Senator from North Carolina.

Mr. President, I was about to say that I do not believe we should have to offer people an inducement, to get them to agree to stop taking money which does not belong to them or to agree that they will bring into the unions the democracy and the democratic practices which they should have had right along, or to get them to agree to stop indulging in gangster practices in dealing with their own members. In short, I do not believe we should have to give people candy in order to get them to agree to do what is right. They should be willing to say that they want to bring honesty and cleanliness into their own unions; and I am sure that there are many of them who do.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, with the understanding that the time will not be taken from either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONFIRMATION OF NOMINATION OF CHRISTIAN A. HERTER TO BE SECRETARY OF STATE

As in executive session,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the unanimous-consent agreement under which the Senate is operating, the Senate proceed to the consideration of the nomination of the distinguished Christian A. Herter to be Secretary of State, and that it be in order to consider this nomination, notwithstanding the fact that the nomination has not appeared on the calendar and the calendar has not been printed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The clerk will state the nomination.

The Chief Clerk read the nomination of Christian A. Herter, of Massachusetts, to be Secretary of State.

Mr. JOHNSON of Texas. Mr. President, I shall be very brief, because we expect to vote shortly on the pending amendment, but I should like to have the distinguished chairman of the Committee on Foreign Relations make a statement to the Senate preceding action on the nomination of Mr. Herter to be Secretary of State.

The President of the United States has named Christian A. Herter to be Secretary of State. Most of the Members of the Congress know Mr. Herter well. Most Senators knew Mr. Herter as a Member of the House of Representatives, as Governor of Massachusetts, and as Under Secretary of State. The fact is, Mr. President, that Mr. Herter shortly will be the Secretary of State, and we want the entire Nation to know that we are united behind him. I think the quicker the Senate acts on this nomination the better.

I am informed that the Committee on Foreign Relations, which is presided over by the able Senator from Arkansas [Mr. FULBRIGHT], very carefully considered the nomination, and recommended that the Senate confirm it. I should like to have the Senator from Arkansas make a brief statement before action is taken by the entire body.

Mr. FULBRIGHT. Mr. President, I am very happy that the majority leader has called up the nomination. The Committee on Foreign Relations heard Mr. Herter this morning, and after the public meeting, in an executive session the committee voted unanimously to suspend its own 6-day rule, which normally requires that a nomination lie over 6 days. The committee then unanimously ordered the nomination to be favorably reported to the Senate.

I shall be very brief in discussing the nominee himself. I have known Mr. Herter quite well for a number of years. We both became Members of the House of Representatives in 1943, but Mr. Herter's public career goes back much further than that. He really became a member of the Department of State in the capacity of an attaché of our Embassy in Berlin in 1919, I believe it was, shortly after World War I. He is in the real sense of the word a career member of the Department of State. He has been in and out of the Department in various capacities.

Mr. Herter served 10 years as a Member of the House of Representatives, and he also served as Governor of the State of Massachusetts.

He lived for several years in his youth in France, where he, of course, learned to speak French. He also speaks German.

I would say that this man is qualified to be the leader of the Department of State in nearly every respect I can think of.

Furthermore, we have observed Mr. Herter as the Under Secretary of State. He is a man of unquestioned integrity, of ability, and, I am sure, of good judgment. I believe we were quite fortunate in having someone thoroughly familiar with the business of the Department of State in all of its aspects ready, willing, and able to take over the arduous duties which illness has forced Secretary Dulles to relinquish. We are very fortunate indeed, and I hope the Senate will proceed to confirm the nomination.

Mr SALTONSTALL and Mr. MANSFIELD addressed the Chair.

Mr. FULBRIGHT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator from Arkansas.

I simply wish to substantiate what I have heard the Senator from Arkansas say. I have worked with Mr. Herter in the State government of Massachusetts and in the Federal Government when he was an official of it, and I was an official of the State government, and vice versa. I have been a friend of his since college days. I know him to be a man of integrity, of character, of imagination, and of independent judgment. I am confident that he will make a good Secretary of State and will be a real Secretary of State in his own name, promoting the ideas he thinks will be for the best interests of our country.

I thank the Senator from Arkansas for yielding to me to make this statement.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Montana.

Mr. MANSFIELD. I wish to join the distinguished chairman of the Committee on Foreign Relations, the distinguished majority leader, the distinguished senior Senator from Massachusetts, the distinguished minority leader, and other Senators who may speak on the nomination, recently unanimously approved by the Committee on Foreign Relations, of Mr. Christian A. Herter to be Secretary of State.

I should like to ask the Senator from Arkansas if it is usual to waive the 6-day rule.

Mr. FULBRIGHT. It is not usual. I think it is most unusual, and it is done only in cases when we feel not only that the nominee has unquestioned capacity and qualifications, but also that very unusual circumstances demand prompt action. I have seen it done very seldom, indeed, and I do not think it ought to be done very often. In this case, the committee felt the circumstances I have mentioned were sufficiently important to warrant the action.

Mr. MANSFIELD. I agree with the Senator, and I reiterate that the approval of the Foreign Relations Committee on this nomination was unanimous. We would like to see the nomination confirmed by the Senate this afternoon, so that Mr. Herter will have all the assurance and confidence that we, his former colleagues in both Houses

of Congress, can give him in this time of great need.

I am happy this nomination has been brought to the attention of the Senate this afternoon by the distinguished majority leader, and we are indebted to him for the remarks he has made as to the unity of the legislative branch of the Government in this particular instance.

Mr. JOHNSON of Texas. Mr. President, I quite agree with what the distinguished majority whip has said. I want not only Mr. Herter to know, but I want the world to know, that this Nation is united behind the Secretary of State whose nomination is about to be confirmed.

Mr. DIRKSEN. Mr. President, yesterday I made a bit of a statement on the Senate floor in behalf of the new Secretary of State, Christian A. Herter. I think perhaps that statement deserves a little amplification.

Very often we deal with personalities in Government concerning whom we have a rather general and somewhat amorphous idea as to who they are and what they have done. So I think always a little factual recital can be helpful.

I served with Christian Herter for four terms in the House of Representatives, and I came to know him quite well. I took the trouble to look up his background a little, so that I would be adequately fortified with information.

Mr. Herter is 64 years old, if anyone is interested in his age. He is a man of family, with four children.

I doubt whether one could point a finger at any other individual in the United States today who has had such a rounded background in the whole field of foreign affairs and in so many facets of that field.

Christian Herter was born in Paris. His father and mother, interestingly enough, were artists. He came back to the United States and graduated from Harvard cum laude, having in mind that he was going to become an architect. He quickly abandoned that ambition in 1916, and took an assignment in the foreign field, at Berlin. From then on he has been more or less identified, one way and another, with the whole field of international relations.

There have come to him, of course, certain respites, such as when he was a member of the Massachusetts Legislature. He was speaker for 4 years, as I recall. He served four terms in the Congress. He served two terms as Governor of Massachusetts. Then he came to Washington as Under Secretary of State.

Administratively, legislatively, and in other fields, including publishing as an editor, and as a lecturer on international relations at Harvard, he has had a rounded experience indeed.

Mr. President, I deplore, a little, some of the speculation I have seen editorially about some delay, and whether it impaired the prestige of Mr. Herter. I do not believe it did. I do not see how it could possibly impair his prestige. I am sensible of the fact that time is of the essence, for as Mr. Herter goes abroad we want to be sure he carries the full prestige of the office to which he has been nominated by the President of the United States.

I express my personal gratitude to the Committee on Foreign Relations. It was generous indeed to waive the customary time limit which generally affects nominations, so that this nomination could be confirmed by the Senate without delay.

I also express to the majority leader our gratitude for interposing this matter in the middle of consideration of the bill which is presently before the Senate.

Mr. FULBRIGHT. Mr. President, I thank the Senator from Illinois for his remarks. Inasmuch as he has undertaken to relate the facts, let me say that we developed the facts a short time ago in the committee. I believe that, in addition to his 4 children, Mr. Herter has some 10 grandchildren.

Mr. DIRKSEN. Twelve.

Mr. FULBRIGHT. And I believe he served five terms in the House instead of four. He served for 10 years, did he not?

Mr. DIRKSEN. I thought it was 8.

Mr. FULBRIGHT. I merely wished to keep the record straight.

What the Senator has said emphasizes the fact that we have before us the nomination of a man with a very distinguished public record, which has been before us all. One of the reasons why we could proceed so quickly to dispose of the nomination was that his record was so well known.

Mr. JOHNSON of Texas. Mr. President, whether the Secretary served four or five terms in the House is not important. What is important is that every man who served with him has the highest respect for him. We all know him as a good man, a kindly man, an able man, who puts the interests of his country first in every instance.

Mr. DIRKSEN. Mr. President, I never like to be shortchanged in connection with my term of service. When I am introduced and the introducer says that I served six terms in the House when I served eight, I feel like making a correction.

The esteemed Senator from Massachusetts [Mr. SALTONSTALL] advises me that Mr. Herter served five terms in the House. I am delighted to make the correction.

In further amplification, I was abroad at the time Christian Herter was there with a subcommittee of the House gathering facts and data to implement what became known as the Marshall plan. I was the chairman of a committee of 10 members of the House Appropriations Committee and 10 members of the Armed Services Committee. I saw his work in Europe. I can testify to his resourcefulness, his skill, his thoroughness, and the scholarly way in which he approached that effort.

That rounds out the background for his present responsibility.

Mr. CASE of South Dakota. Mr. President, it was my privilege to serve in the House of Representatives with Christian Herter, and also to serve under his chairmanship as head of the Select Committee on Foreign Aid, which went to Europe in the fall of 1947. That is the committee to which the distinguished minority leader has just alluded. It became known, not as the Select Committee on Foreign Aid, but as the Herter committee, because of the impress of his personality, his true qualities of leadership, and his ability at organization. Those of us who were privileged to serve on the Select Committee on Foreign Aid, known as the Herter committee, soon were disabused of the idea that that was an ordinary committee going to Europe on a junket, or anything of that kind. It was my privilege to be designated by Chairman Herter as the chairman of the Subcommittee for Germany and Austria.

I was given a number of books and pamphlets which I was expected to study during the time we were crossing the ocean. The first day after we got our sealegs we found that the committee was expected to meet every morning for 2 hours to consider the presentation of material with respect to the particular countries to which we were assigned.

Not only on our trip going over were we so briefed, so to speak, but on the return trip we were expected to assemble each day, and each subcommittee made a report upon the particular country which he visited.

The Herter committee spent some 6 weeks on that trip. For 5 weeks I was in Germany and Austria. Mr. Herter, as chairman of the full committee, not merely started with us on our study in Germany, but he visited us when we went to Prague. He was at all times the real chairman of the committee.

I wish to put this word into the RECORD because I can speak from experience on the particular assignment in connection with which Mr. Herter won his spurs, so to speak, in the field of international recognition.

I have always counted it a privilege to have served on that committee under his leadership, because it retained the respect and recognition of the people of Europe, as well as the people at home. It laid the foundation for the consideration of the so-called Marshall plan.

The late Dr. Eaton was for many years the chairman of the Committee on Foreign Affairs of the House of Representatives. We were given to understand that the select committee was to be a working committee. Chris Herter made it a working committee, a productive committee, and he attained recognition in the field of European affairs which stands him in good stead at this time.

Personally, I feel that the work of the committee was not merely a reflection of his ability, but that it provided him also with a background of the problems of Central Europe, which qualifies him for this important position of responsibilty at this time.

I commend the leadership and the Committee on Foreign Relations for bringing the nomination to the floor of the Senate for prompt action.

Mr. KEFAUVER. Mr. President, I wish to join in expressing appreciation of the fact that the committee has reported the nomination in such short order, and that the 6-day rule is to be waived.

I also had the privilege of serving with Mr. Herter in the House of Representatives. I am sure that every man who served with him and who knew of his work in the House of Representatives respects him for his ability, his courage, and his intelligence. I believe that Mr. Herter will enter upon the duties of this office with the confidence and support not only of Members of the Senate who served with him in the House, but of all Members of Congress.

To my mind, Mr. Herter has handled himself with dignity, honor, and intelligence during the time he has been Under Secretary of State. I believe he has the capacity and the ability properly and effectively to represent our Government at this very important and delicate time.

Mr. KEATING. Mr. President, having served with Chris Herter in the House of Representatives, and having had a close working arrangement with him in connection with a number of matters during his tenure as Under Secretary, I have no doubt that he will be an outstanding Secretary of State. His broad experience in foreign affairs, his harmonious working relationships with Members of both Houses of Congress, and the universal respect which we and the country hold for him assure his success. I am confident that he will carry forward with vigor and intelligence the foreign policy of firmness and strength which has characterized the tenure of his predecessor, and which is so necessary to preserve the peace of the world.

I commend the majority leader and the members of the Committee on Foreign Relations for the expedition with which they have brought this nomination before us.

Mr. JACKSON. Mr. President, like many of my colleagues in this body I, too, have had the honor of serving in the House of Representatives with the distinguished Secretary of State.

Mr. Herter is a man with long experience in the field of foreign relations, dating back to World War I. He played a very important role in the crucial postwar period.

During my service with him in the House of Representatives I had the privilege of serving on some of the committees on which he was active.

Mr. Herter is a man of good judgment and keen intellect. I think he is indeed possessed of the qualities which will make him a great Secretary of State.

I believe that he enters upon this office with the strong bipartisan support of Members of both the House and Senate. This is particularly true of those of us who have had an opportunity to know him and his family over the years, and to appreciate his outstanding qualities. I wish him well. I know that the other Members of the Senate will give him the kind of support he needs in this great hour of trial for our country.

Mr. CARLSON. Mr. President, first I wish to commend the majority leader and the minority leader and the Senate itself for granting unanimous consent for immediate action on the confirmation of the nomination of Christian Herter to be Secretary of State.

I also wish to commend the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], who this morning was very helpful in securing the waiver, at least for the present, of the 6-day rule of the committee, which would have held up the nomination for 6 days.

Our action should demonstrate to our Nation and to the world that Congress can act with haste if it must and when it is in the interest of our national welfare. I believe that the action which is being taken by the Senate today will mean much by way of strengthening our position among the other nations of the earth. It will be most helpful to the new Secretary of State in carrying out the policies of the administration.

It was my privilege to serve, along with many other Members of the Senate, with Christian Herter when he was a Member of the House of Representatives. I know him personally. His many years of service in dealing with international affairs give him every qualication for this important place. He will deal with firmness but at the same time not be so inflexible as not to see the others' problems.

It is a pleasure to urge the Senate to approve this nomination by a unanimous vote.

Mr. KUCHEL. Mr. President, in the action which the Senate is about to take and in the deliberate and efficient speed by which it undertakes now to discharge its constitutional responsibility by approving Christian Herter as American Secretary of State, there is, I believe, a good augury for America and, beyond that, for the cause of freedom in the world.

The President of the United States has nominated Christian Herter to be Secretary of State. A good many Members of the Congress have served with him in public capacities during the past many years. To find now, in a Senate in which the majority of the Members have a different partisan faith from that of the administration, a very great, indeed, I believe, unanimous approval, which is about to be given to this nomination of the President, must spotlight the fact that here is an able American patriot whose voice in questions of foreign policy will be the unequivocating voice of the people and the Government of the United States. That will be a comfort to our free friends wherever they may be. It will also make unmistakably clear to the nations on the other side of the Iron Curtain that America is united in its peoples and its labors, as the President has so often said, for peace with justice in this melancholy and war-weary world. We, all of us, wish for Mr. Herter every success, and we offer him all cooperation.

I am glad to join my able colleague, the minority leader, in congratulating the Senator from Arkansas [Mr. FULBRIGHT] and the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], for the speed and the efficiency by which they have now presented to the Senate the question of the constitutional approval of America's foreign policy spokesman. This is a good moment in the Senate. Here is a united labor for America, free from partisan concern.

Mr. HOLLAND. Mr. President, the time is critical. The meeting of the foreign ministers will begin within a few days. The Summit meeting, which may follow, would come shortly thereafter.

The problems in the field of international relations are grave. I believe that the Senate very properly is yielding to the unanimous request of the Committee on Foreign Relations and its Chairman that the nomination be taken up without delay and that its confirmation should follow in the shortest period of time possible.

I am certainly one of those who is fond of Mr. Herter, and I wish for him the very best of success as he approaches the terrific responsibilities which confront him. I believe that the action being taken today should show beyond any cavil that he has the backing and good wishes and confidence of the people of the United States. Certainly he has my confidence and will have strong and sympathetic support.

However, Mr. President, we would be unrealistic if we did not give attention to the note which I am about to voice. There are a large number of people in my State—and they are very fine people who have nothing at all against Mr. Herter personally, and have so expressed themselves by their letters and telegrams to me—who are fearful as to whether he has the resolution, the firmness, and the completely unyielding quality on matters of high principle affecting our Nation and the other freedom-loving nations of the earth, which he must possess and which he must show by his actions if he is to fully meet the very grave responsibility now about to be entrusted to him.

The RECORD ought to show that there is this large group of good people in our Nation who will undoubtedly wish him well and who undoubtedly like him personally, but who still have reservations as to his resolution and his fortitude—as to his sturdiness and his willingness to stand up under fire, and as to his firmness under all kinds of wearing conditions which he will face in the difficult negotiations he is about to undertake.

Mr. President, I am sure I voice the hopes and prayers of the people I have mentioned that he will live up splendidly to the very great test which he faces. I certainly hope so, Mr. President. However, I believe that we would be derelict in our duty if we did not show in these proceedings, in this debate, that there is this one lingering feeling, which it is hoped Mr. Herter will accept as a challenge—and I believe he will do just that—to show the utmost resolution and the utmost firmness and the utmost unwillingness to yield on matters of high principle as he undertakes the tremendous task which now confronts him.

Mr. BRIDGES. Mr. President, I wish to add a word in support of the confirmation of the nomination of the distinguished former Governor of Massachusetts to be the Secretary of State. The position of Secretary of State is probably one of the highest and most important offices not only in this country but in the

whole free world. It is, therefore, necessary that we approach the filling of that office with the utmost care. I know that the President of the United States, in his concern for our country and for the free world, feels he has made an excellent choice in picking a man who is familiar with what has been going on in every corner of the earth.

Some persons have said that they do not know whether Chris Herter will be sufficiently firm. I believe that the man who was engaged in feeding hungry people in Europe after World War II, and who has served with John Foster Dulles, particularly during the past trying months, has assimilated some of the thoughts and some of the strong, positive feelings held by John Foster Dulles.

Regardless of who we are, we must say today that Mr. Dulles has been an outstanding Secretary of State. In my judgment, he will be remembered, as history is written, as one of our truly great Secretaries of State.

I believe Chris Herter will be a good successor and will maintain the firm position of Mr. Dulles. If he does not, I will be one of the first to criticize him. But I have faith that he will perform his duties well in behalf of this country and the entire free world. I am happy to support the confirmation of his nomination.

Mr. NEUBERGER. Mr. President, very early in World War II at the start of 1942, President Roosevelt asked Archibald MacLeish, who was then the Librarian of Congress, to call together a group of writers to advise on governmental policies in the field of information. I served for 2 or 3 months in that agency before I entered the military service.

At that time I shared a very small cubicle or office with Christian A. Herter, who was likewise a member of that group. I know Mr. Herter personally, although I have never been associated with him in any other official capacity except that. I have a very high opinion of his qualifications—his character, intellect, integrity, and ability. I think he will need all those sterling qualities now.

I wish I knew more about diplomacy and international relations. I imagine it is very easy to be Secretary of State of the United States so long as our country is the top power or the so-called top dog in the world. But I think it must be a great deal more difficult to be the American Secretary of State when this country is no longer absolutely supreme militarily in the world.

At the recent Gridiron Club dinner, a number of songs were sung by the correspondents who took part in the skits on that occasion. I do not remember precisely the words of one of the songs, but the gist of it was that the United States no longer is the supreme power or top dog on our planet.

If the theme of that song be true—and perhaps it may be—I think we are imposing on Mr. Herter a more difficult task as Secretary of State than many of his many predecessors have faced. When the United States no longer has as its own the ultimate weapon, our Secretary of State is called upon to be far more adroit, far more informed, and far more patient, and perhaps even to submit to more intense political criticism at home.

I simply say that Mr. Herter deserves all our cooperation, all our backing, all our support, and all our understanding, so that we will not be tempted to engage in any reckless political criticisms of him when things do not seem to be going too well. I have the feeling that in the years immediately ahead, with Russia already emerging from medievalism and Red China just beginning to cast aside peasantry and to also enter the industrial age, any man who serves as our Secretary of State, whether he be a Republican or a Democrat, will need all our understanding and cooperation and patience.

Mr. DIRKSEN. Mr. President, it is highly gratifying to hear, from both sides of the aisle, these testimonials and tributes to a great American. Once more, I express my gratitude to the majority leader.

I respectfully suggest to him, if he does not already have it in mind, that perhaps we may have a yea-and-nay vote on the confirmation of the nomination.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the confirmation of the nomination of Mr. Herter to be Secretary of State.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I wish to speak in my own right and in my own time on the nomination of Mr. Herter.

It was my pleasure this morning to second the motion in the Committee on Foreign Relations to recommend to the Senate the setting aside or the suspension for this occasion of the so-called 6-day rule on nominations. Although as an ordinary practice I regard the rule as sound, I think its suspension on this occasion is justifiable, and I said so this morning in committee, because I believe it would be very much misunderstood throughout the world if the nomination of the Secretary of State were not acted upon today.

In my opinion it is very important that clear notice be served to the world that we are pleased to confirm in his position a new Secretary of State, whose nomination was made necessary because of the tragic illness of Secretary John Foster Dulles. But, as I pointed out in the committee this morning in a public hearing, and made clear to my colleagues also in an executive session, I consider it to be very important that in carrying out the duty of the Senate, under the advice and consent clause of the Constitution, a record should be made with the nominee on the great, broad problems and foreign policies themselves which so vitally concern the American people, and which are so closely related to the destiny of this Republic.

SENATE MUST FULFILL ITS FOREIGN POLICY RESPONSIBILITIES

As I made clear to Secretary Herter this morning, I congratulate him on the opportunity for the performance of great public service which is now his. But Congress needs to keep in mind at all times that it, too, has very definite responsibilities in connection with the formulation of foreign policy. Also, any administration, of any party, at anytime, needs to keep that constitutional fact in mind.

Our Founding Fathers, for example, made very clear their intention to have Congress play a part in the formulation of foreign policy, when they vested in Congress the power to declare war. Of course, the events of foreign policy can present a factual situation which may necessitate a declaration of war. They are of such a nature that too frequently they can develop into an engulfment of the Nation by a failure on the part of the administration at any given time to keep the American people fully informed, at least through their elected representatives in Congress, of the facts about world affairs which are threatening the peace.

So, in my examination of Mr. Herter this morning I considered it to be my duty, under the advice and consent clause of the Constitution, to discuss with him some of the great policy questions with which I think the Nation is confronted in the field of foreign policy. I did so because in the past, in executive sessions of the Committee on Foreign Relations, I was not happy with the position which Mr. Herter took concerning one of those major problems. But he satisfied me today by a forthright discussion of some facets of the problems I raised in executive session some time ago. He took a position today which I could strongly support.

GREAT ISSUES FOR THE SECRETARY

For the record, and possibly by way of notice for future reference, I wish to comment on one or two of those policies, because I think any Secretary of State, at the time of the confirmation of his nomination, is entitled to have anyone in the confirming body make his record on any reservations he may have as to the policies in the the field of foreign relations of the administration of which the nominee is a part. So I raised with the Secretary this morning, and raise with the Senate this afternoon, what I consider to be the greatest moral issue facing mankind. In my opinion, it is the greatest moral issue facing my country. After all, we have to examine our historic responsibilities as a nation toward the great problem of trying to keep the peace, or more properly, to win the peace, because the peace has yet to be won.

I have been concerned, and still am very much concerned, about the attitude of many persons in high places in our government, both in the military and in the civil administration, concerning a nuclear war. As a member of the Foreign Relations Committee, I have been very much concerned about some of the implications from the testimony given in executive session by some military officials and by some civilians who have administrative responsiblities in the Defense Establishment. Their statements have caused me to become fearful that there are in high places in our government some who have not given sufficient thought to the disastrous effects of a preventive war, in view of the fact that a preventive war would be as devastating to mankind as an

aggressive war. Therefore, I have been, and still am, greatly concerned about the policy of the government in respect to doing everything possible to reach some kind of a world understanding which will make a nuclear war impossible.

As I pointed out this morning, in my examination of Mr. Herter, once mankind became aware—many years ago, in the time of the First World War—of the devastating effects of poison gas, all the nations agreed that poison gas would not be used; and it has not been used. But the disastrous effects upon mankind of a nuclear war would be of such far greater magnitude than the effects of poison gas as almost to defy the imagination.

I believe that anything we can do to further an international agreement, understanding, or commitment that a nuclear war will not be engaged in will be the greatest service to moral values our generation can perform.

EFFECTS OF NUCLEAR WAR

As has been indicated to us, and as I repeated today in the course of the examination of Mr. Herter, a substantial body of scientific opinion holds that if Russia and the United States were to let loose on the earth all the nuclear power now in storage—and it seems to me that if a nuclear war ever started, that is exactly what we would have to expect would happen—the radiation effects would do irreparable harm and damage to all forms of life in large areas of the world—certainly to most of Russia, to all of Europe, to all of the United States, to all of Canada, to much of the northern tier of the countries of Latin America, and to the eastern tier of the countries of Asia—and the radiation would linger for as long as several thousand years. It is horrible to contemplate such a result; and, in my opinion, it raises, very directly and inescapably, a moral issue.

So, Mr. President, I do not believe that any country has the moral right to engage in a nuclear war. That is why I believe it is so important for those who are in charge of the foreign policy of our country, particularly the President and the Secretary of State, in their administrative capacities—and their obligations in the field of foreign policy are administrative—to make clear to the American people, and to the people of all the world, that we are desirous at all times of finding solutions to the issues between nations that threaten nuclear war.

Until some better vehicle or instrumentality can be devised, Mr. President, I shall continue to take the position—as I emphasized this morning in my discussion with Mr. Herter—that our country should make greater use than it has been making of the procedures of the United Nations. One of my criticisms of American foreign policy is that on too many occasions, on too many issues, the United States has been guilty of circumventing the United Nations, and time and time again has acted outside that organization, on issues which carried the potentiality of a threat to peace in the world. Without a machinery for settling disputes, nations will rely upon their own force of arms to settle them.

So this morning I expressed to the new Secretary of State my prayerful hope that under his administration there will be a greater use of the procedures of the United Nations.

Mr. President, a few weeks ago I was somewhat concerned about what Mr. Herter's position would be in case an aggressive course of action occurred in Berlin, and in case some airplanes were shot down there. In that case, would our country then proceed, on the basis of the belief that that was an act of war, as I believe it would be, to initiate a nuclear war?

I was very much concerned because some of our high military leaders left in my mind no room for doubt that such was their own position. I realize that that would be the reflex action of any of us, and especially of our military forces, for it would be only human to react in that way. But, Mr. President, because there is that great danger, I believe it most important—as I suggested today to the newly appointed Secretary of State—that we now draw the rest of the world in with us in discussion of the Berlin crisis, because that crisis is now the problem of every nation in the world. It is not only the problem of Russia, the United States, Great Britain, France, and the two Germanys. It is the problem of all the peoples of the world, including those in countries which did not enter into any agreement, as Russia, the United States, France, and Great Britain did, in respect to the occupation of Berlin.

UNITED NATIONS MUST TAKE CONTROL OF PEACE-THREATENING ISSUES

Mr. President, I believe we have reached such a time in history that when any specific issue arising between two or more nations in fact threatens the peace of the world, the party disputants cannot take the position that they, and they alone, have the sovereign right to seek to solve that problem by war, or even by negotiations between them outside the United Nations.

That is why I repeat on the floor of the Senate this afternoon, as I expressed it to the Secretary this morning, my hope that there will be some change in our policy—good precedent has been established for it, I recognize, but I think there is a need for a change of policy—so that we will urge the conduct of high level negotiations under the canopy and jurisdiction of the United Nations.

It is not a satisfactory anwser to me, I say most respectfully, for Mr. Herter to say, as he did this morning, it is his understanding that the Secretary General of the United Nations will be available, and his good offices will be available—he said he did not know whether in an official or an unofficial capacity—in connection with the negotiations which he said will take place in the near future.

Mr. President, the Secretary General of the United Nations should be an official part of those negotiations, and the negotiations should be conducted under the official sanction of the United Nations, and the procedures within the charter for such a course of action, if the nations of the world have the will to follow that procedure. Maybe they will not want to, but I surmise that if this great Republic, dedicated to peace as it is, would lead the world by a proposal to have the United Nations exercise its official auspices over those negotiations, most of the world would support the proposal.

One of the reasons why I stress that point so much, and I did it this morning, and shall do so time and time again, Mr. President, is that I am convinced it offers the best, if not the only, hope for permanent peace. One of the reasons why I continually stress the use of the peaceful procedures of the United Nations before the fact, before we are forced into making an instantaneous decision as to whether we will have to start dropping bombs, is that I think the use of those peaceful procedures will have a very salutary effect on the party disputants.

Do not forget, Mr. President, that the American leaders are human, too, and the same blood chemistry runs through the physiology of Americans as runs through the physiology of Russians, Germans, Englishmen, and Frenchmen. What we need are checks also on emotional dangers in foreign relations, and the procedures of the United Nations, I think, are very effective checks.

Therefore, I hope Mr. Herter will demonstrate flexibility and dedication to the application of the rules of reason in international negotiations, so we can constantly keep Russia on the defensive before the bar of world opinion in respect to the question to be put to the world, "Who is it that seeks the peace, and who is it that jeopardizes it?"

The sad fact is—we do not like to hear it, but it is true—that whenever information goes out to the world that there are those in officialdom in the United States who are even indicating that we might lead the world into preventive war by using nuclear bombs, then millions of people say, "Do we not have cause to fear the United States as much as Russia, because they are the two powers—Russia and the United States—that even seem to consider the possibility of settling the differences between them by the use of nuclear bombs?"

Mr. President, such a course of action would be immoral, whether it were followed by my country or Russia, or both. I was very much pleased to hear Mr. Herter restate, as we carried on a colloquy this morning in the Foreign Relations Committee, what I was satisfied was his own philosophy in regard to the desirability of trying to reach some agreement in the whole field of disarmament in respect to nuclear weapons. Of course, the discussion needs to be extended to all other weapons, too, because before it is too late, the American people ought to recognize we cannot win a nuclear war. We can only defeat Russia in one; but in defeating Russia, we would also defeat ourselves, because of the horrendous damage which would be done to us for decades and decades to come.

CONGRESS MUST BE KEPT INFORMED

There are two other points I wish to cover briefly, Mr. President, in making my record in regard to this nomination. I wish to say from the floor of the Senate this afternoon that I hope Mr. Herter will deal openly with the Congress of the United States; that Mr. Herter will recognize the desirability—yes, the right—of the Congress, the constitutionally elected representatives of the people of the Nation, to full information in regard to the development of policies which may create international crises for the United States.

I hope, Mr. President, that never again will we find ourselves in the situation in which we found ourselves at the time of the Lebanon crisis, when there was an administration conference with congressional leaders held at the White House. An oversight was committed in failing to tell the congressional leaders, at the very moment they sat in the White House, that the Marines were already on their way to Lebanon.

That occurrence came as a great shock to me, Mr. President, but the record is clear it was the fact. I brought that fact out, as the transcript of record of the Foreign Relations Committee will show.

I hope, Mr. President, never again will we in the United States be subjected to that kind of government by secrecy because the elected representatives of the American people are entitled to know, before the fact, foreign policy developments which, if they go awry, might put us in a position in the Senate of being called upon to support a resolution of a declaration of war.

It needs to be said over and over again that we do not countenance the opinion, which is all too prevalent, that because of the way wars are now waged the war clause of the Constitution of the United States has become an empty phrase, and that we can expect the Congress to find itself in a position of being asked to declare war after war exists.

I hope our Secretary of State will have a high appreciation of what I consider to be the responsibility of the Executive to keep the Congress informed before the fact.

In recent years, as I have stood at times, with a minority on the floor of the Senate on some foreign policy questions, I have been told in the cloakroom there was nothing my colleagues could do about the situation because "the fat is in the fire." The argument is made that "the fat is in the fire," and therefore we have to support the administration. I think that rests upon a great fallacy. What it rests upon is a failure of an administration to keep us advised beforehand so that our advice and consent could be given beforehand.

Let me cite, for example, Mr. President, the Formosa doctrine and the Eisenhower doctrine in the Middle East. I know that in some instances there were colleagues who disapproved of both doctrines, but who felt they should vote for them because "the fat is in the fire."

Mr. President, the "fat in the fire" argument simply is a demonstration of a fact that in the United States in recent years—and it is not limited to a Republican administration, although I think there has been a great acceleration of this policy under the present administration—both the Congress and the people have had concealed from them facts about their foreign policy which they ought to have known, so that this body could properly give its advice and consent to the Government in respect to foreign policy.

I say to Mr. Herter from this desk today that I am pleased to vote for the confirmation of his nomination, but I trust that he will develop a flexible program; that he will urge a cessation of a policy which has circumvented the United Nations time and time again; that he will recognize the responsibilities of Congress in the field of foreign policy; and that he will appreciate the fact that the war clause of the Constitution represents one of the solemn obligations of the Congress of the United States, and that to exercise our duties under it we are entitled to be informed long before a crisis reaches the point when it may become necessary to declare war.

RULE OF LAW MUST BE FURTHERED

Lastly, Mr. President, I sincerely hope the new Secretary of State will start recommending the use of the judicial processes of the United Nations Charter. I was delighted the other day to read that the Vice President of the United States has discovered that the United Nations Charter contains many provisions for the use of judicial processes. It was a pleasure to read of the speech of the Vice President in support of a greater use of what is known as the rule of law in the field of international relations. I always welcome "Johnny come latelys," if they will only come. I do not know where the Vice President has been since 1945, because since 1945 there has been a group of us in the Senate who have been urging a greater use of the rule of law by both Democratic and Republican administrations.

Mr. President, this great principle is nonpartisan if there was ever a nonpartisan principle.

I hope that Mr. Herter will give the very studious consideration of which I know him to be capable to those provisions of the United Nations Charter such as article 96, which provides for the General Assembly to call upon the World Court, for instance, for an advisory opinion. It is sad to note in the history of my country that we have yet to propose such a resolution to the General Assembly of the United Nations in connection with any one of the major issues which have threatened the peace of the world, which issues have of course involved questions of international law.

I felt that these statements should be made today, as a new Secretary of State takes office, because the course of action the United States follows in the field of foreign policy during the tenure of the new Secretary of State may well determine the difference between a nuclear war, with the resulting destruction of American and Russian civilizations, and progress toward the establishment of permanent peace on the face of the earth by a recognition, that rules of reason and not threats of force ought to be the controlling feature of America's foreign policy.

Mr. JAVITS. Mr. President, I shall be very brief. I wanted the privilege of saying a word in connection with the confirmation of the nomination of Christian Herter to be Secretary of State.

I had the honor of sitting next to Mr. Herter for 6 years, and I mean exactly next to him, as a member of the Committee on Foreign Affairs of the other body. It is rare that one can speak of a public official in such a high office in such personal terms.

Mr. President, I believe the President of the United States, in terms of fitness by training, by temperament, and by ideology has made an unparalleled choice, of a man to undertake the particular task which will challenge Mr. Herter.

As my distinguished colleague from Oregon [Mr. MORSE] has said, the new Secretary of State will hold in his hands, perhaps, even the issue of our own survival. Be it said in fairness to Christian Herter that if our fate depends on him, it will be secure. He is a man of luminous mind, of high character, of vast experience in the diplomatic field, and of burning faith in freedom.

Let no one be deceived by his quiet exterior. He is a man of great determination, of real depth, and of tremendous conviction. Though he will speak softly—which, incidentally, could be a very good thing—he will move inexorably toward what ought to be our proper goal.

Mr. President, I believe Mr. Herter will utilize the United Nations fully. I believe he will make a very great effort to utilize the private economic system of the United States fully. I believe this represents one of the greatest lacks in all our foreign policy and one of the greatest examples of how we try to fight great battles with a minimum of our strength.

I believe also that he will give great consideration to the rule of law, as outlined by Mr. Charles Rhyne, the former president of the American Bar Association, and by Vice President NIXON in terms of the various media for that purpose which are available, including the International Court of Justice.

Finally, in personal terms, I think we shall see the State Department operating as a team. I do not believe that Secretary Herter is quite the virtuoso, in terms of the operation of the State Department, that the previous Secretary was. We all understand the strength, power, and talents of John Foster Dulles. They were unique with him.

I believe Mr. Herter brings to the task another talent, the talent of being able to captain, lead, and inspire a very effective team. I believe we shall hear again from the Policy Planning Staff of the Department of State, which I believe represents an extremely important aid to American foreign policy.

In short, while I have no rose tinted glasses with respect to any appointment as difficult and trying as this, I believe

Secretary Herter's appointment is most auspicious for our country and for the cause of freedom in the world. I think the Russians will learn to count with him as effectively as they learned to count with John Foster Dulles.

I believe I have a right to say this, based upon the long and extremely sentimental—to me—attachment for and personal cooperation with Secretary Herter.

Mr. GORE. Mr. President, it was my privilege to serve in the House of Representatives with Representative Christian Herter, of Massachusetts. He was outstanding in many respects. Among other things, he headed a subcommittee which made one of the most constructive contributions which I witnessed during 14 years of service in that body. It was to a significant degree due to the work of the Herter committee that the Marshall plan was adopted.

During our service together he won my unstinted confidence. I have watched his work in the State Department. That confidence has in no way been impaired.

It is with pleasure that I rise to give this testimony to my colleagues in the Senate of my respect for, confidence in, and support of the man whose nomination is before us for confirmation, Mr. Christian A. Herter.

Mr. CASE of New Jersey. Mr. President, too often men in public life are taken at the value they place upon themselves publicly. In the case of Secretary Herter we find a refreshing exception. This is a man whose gentleness and consideration for others may have led some to think of him as a person somewhat lacking in firmness, or in that degree of self-confidence which someone in a position so difficult and important as the one he is about to undertake must have.

Any such judgment would be a gross mistake. I am sure that no one who knows Christian Herter will ever for a moment make it.

Like so many of my colleagues in the Senate, I served with him for a number of years in the House. Our offices were adjoining for most of that time. Our friendship was close, as was our association in the work of the House of Representatives.

All that history need not be repeated. It has been gone into in detail, as it should have been.

This is a man whose upbringing and whose whole adult life seem to have been directed to the job which he now undertakes. As we wish him well, all of us who know him so well are happy that he is to succeed another great American in one of the most difficult jobs in the world today.

Mr. RANDOLPH. Mr. President, Christian Herter will be a worthy successor to Secretary Dulles.

It was my privilege to know him well when we served as colleagues in the U.S. House of Representatives. We sat on committees together. His career as a legislator and later as Governor of Massachusetts was one of devoted service.

He has a great capacity, he possesses a keen mind and he has an overriding passion to serve his country. I am personally gratified that Americans and the peoples of the free world will have the valuable qualities of his leadership.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Christian A. Herter of Massachusetts to be Secretary of State? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Delaware [Mr. FREAR] and the Senator from Rhode Island [Mr. GREEN] are absent because of illness.

I further announce that, if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is detained on official business. If present and voting he would vote "yea."

The result was announced—yeas 93, nays 0, as follows:

YEAS—93

Aiken	Ervin	Mansfield
Allott	Fulbright	Martin
Anderson	Goldwater	Monroney
Bartlett	Gore	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Butler	Hickenlooper	Neuberger
Byrd, Va.	Hill	O'Mahoney
Byrd, W. Va.	Holland	Pastore
Cannon	Hruska	Prouty
Capehart	Jackson	Proxmire
Carlson	Javits	Randolph
Carroll	Johnson, Tex.	Robertson
Case, N.J.	Johnston, S.C.	Russell
Case, S. Dak.	Jordan	Saltonstall
Chavez	Keating	Scott
Church	Kefauver	Smathers
Clark	Kennedy	Smith
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Talmadge
Dirksen	Lausche	Thurmond
Dodd	Long	Wiley
Douglas	McCarthy	Williams, N.J.
Dworshak	McClellan	Williams, Del.
Eastland	McGee	Yarborough
Ellender	McNamara	Young, N. Dak.
Engle	Magnuson	Young, Ohio

NOT VOTING—5

Frear	Humphrey	Symington
Green	Schoeppel	

So the nomination of Christian A. Herter to be Secretary of State was confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of legislative business.

WHEAT SURPLUSES

Mr. KEATING. Mr. President, the piling up of huge agricultural surpluses at great cost to the Government is a matter of deep concern to all of us. Recent figures indicate that the wheat surpluses will reach the outstanding figure of $3 billion worth.

The New York Times of last Sunday published a very interesting article, which is a little bit dreary in reading because it is filled with statistics, but it is an article which I think would bear reading by all of us who are greatly concerned with the problems faced by the Department of Agriculture and by us in Congress. I therefore ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. WHEAT GLUT EXPECTED TO RISE—BUMPER 1958 AND 1959 CROPS LIKELY TO PUSH CARRYOVER TO NEW RECORD LEVELS—GOVERNMENT DISTURBED—IT HAS ABOUT 3 BILLIONS INVESTED IN THE GRAIN—NEW PROGRAM SOUGHT

(By J. H. Carmical)

The surplus wheat problem, with which Washington has been wrestling for years, promises to become more aggravated with the harvest of this year's crop. As a result, Congress may make some changes in the Government's wheat program at the present session.

Despite the expenditure of several billion dollars by the Government, the wheat surplus on July 1 will reach a new high of about 1,250 million bushels, of which some 90 percent will be held by the Government.

The carryover of wheat from previous crops reached a peak of 1,036,178,000 bushels on July 1, 1955. By restricting acreage and spending large sums to stimulate export sales, the Government reduced the surplus gradually to 880,600,000 bushels at the start of this season last July 1.

Last year's record harvest of 1,462 million bushels changed the picture drastically. Although both domestic consumption and exports of wheat this season have been high, indications are that the 1958 crop was about 380 million bushels more than the demand. This means that the carryover on July 1 will be that much greater than a year earlier.

The Department of Agriculture recently forecast this year's winter wheat crop at 966,236,000 bushels. Such a harvest would be sharply below the record of 1,179,924,000 bushels last year. But it would exceed the average of the last 10 years by some 150 million bushels.

ESTIMATE DUE LATER

The first estimate of the spring crop will not be issued until later. However, the spring crop normally is about one-fourth of the winter crop. Hence, a total wheat crop this year of a bit more than 1,200 million bushels seems in prospect.

This year's wheat acreage is much larger than that in 1958, when a sizable part of the land previously sown to wheat was put into the temporary soil bank. For this reason, generally favorable weather conditions in the next 2 or 3 months could result in an actual yield considerably above the present estimate.

On the basis of this estimate, the 1959 crop probably will result in a further sizable increase in carryover on July 1, 1960.

Domestic consumption of wheat next season is expected to be a few million bushels more than the 619 million bushels this season, probably amounting to about 625 million bushels. Exports are expected to be about 400 million bushels, some 60 million below this season's level.

With domestic consumption and exports expected to reach about 1,025 million bushels next season, the carryover on July 1, 1960, probably will be some 175 million bushels above the record level due next July 1.

The surplus problem is disturbing to Washington because the Government must buy the excess supplies of any crop. This year's crop is being supported at $1.81 a bushel on

the farm, compared with $1.82 for the 1958 crop and $2 for that produced in 1957.

Indications are that the Government has some $3 billion invested in wheat. On April 3, the noncommitted inventory of the Commodity Credit Corporation, the Government's price-support agency, was 716,500,000 bushels of wheat. In addition, it had made loans on 607,238,000 bushels from last year's crop, of which 41,500,000 had been redeemed, leaving the net stock at 565,738,000 bushels.

With the export demand in April, May, and June expected to be about 125 million bushels, some of this net stock will be sold. But at the end of this season, the total holdings of the Government are expected to be some 1,150 million bushels. This would leave the free supply of wheat from previous crops on July 1 at about 100 million bushels.

How to dispose of this huge surplus, the largest ever held by this or any other Government, poses a knotty problem. International trade in wheat now is about 1,100 million bushels a season. United States exports this season, which are expected to reach 460 million bushels, are considered a fair share of the world market, particularly since Canada and some other exporting nations have large surpluses.

PEAK EXPORT SUPPLIES

It is estimated that the world's exportable supplies are the highest on record. This stems from the bumper crops generally raised by the exporting nations last year. Because of the vigorous competition for export outlets, the price of wheat generally is at the lowest level since the Korean War. Thus, it is held doubtful that further price concessions would greatly stimulate sales.

Several other exporting nations are objecting to the tactics the U.S. Government is using to sell wheat abroad. It is asserted that because of the foreign aid and other programs only 15 to 20 percent of the wheat sold abroad by the United States is sold in the regular commercial way, including wheat sold under Federal subsidy payments.

Government officials and farm leaders generally feel that the wheat program has failed. Many are striving for new legislation.

Generally, it is held that the present support price, although much lower than that of a few years ago, is at a level that encourages maximum production and discourages the use of wheat as a livestock feed. Also, it is held that to continue trying to dispose of excess supplies in the export market by direct subsidies, barter transactions, foreign currency sales and outright donations not only would be costly, but would not solve the problem.

NEW PLAN POSSIBLE

Because of the dissatisfaction with the present program Congress may come up with a new plan at this session. President Eisenhower has called on Congress to junk the present program, and his Secretary of Agriculture, Ezra T. Benson, is plugging for a new setup.

Generally, Mr. Benson would like a program that would base the support price on the market price for the 3 preceding years and that would provide some relaxation in acreage controls.

Once the price supports fell to a level that would make wheat competitive with other feed grains, which would result in greater consumption of wheat, it is said that acreage controls could be scrapped.

If some such plan is not evolved, Mr. Benson believes that there should be a drastic reduction in the national acreage allotment in order to bring production down to a level that would permit an easing of the surplus burden.

Generally, it is considered likely that Congress will pass some wheat legislation at this session, but it is too early to predict the character of the legislation or whether it will be approved by President Eisenhower.

NORTH DAKOTA'S WHEAT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following the remarks of the Senator from New York [Mr. KEATING], a GTA Daily Radio Roundup of April 14, 1959.

There being no objection, the Daily Radio Roundup was ordered to be printed in the RECORD, as follows:

GTA DAILY RADIO ROUNDUP, TUESDAY, APRIL 14, 1959

North Dakota, where the Nation's finest wheat is grown, is caught in an acreage squeeze. So are other traditional good wheat areas of the country. The situation isn't understood very well except by the farmers who are being administered out of their acreage allotments.

Veteran North Dakota Senator MILTON YOUNG explains what is happening, in a recent newsletter that is of interest to all wheatgrowers. What's happening in North Dakota is typical.

Senator YOUNG says that North Dakota's planted wheat acreage has dropped from about 10 million acres in 1939 down to 6.5 million in 1958 because quotas have been cut.

At the same time, wheat production in the noncommercial wheat areas of the United States has increased. These areas get better yields and often a better price because they are closer to market. Of course, the wheat is inferior in quality.

Any farmer anywhere can plant and sell up to 15 acres of wheat without coming under acreage allotment and marketing quota laws. He can grow up to 30 acres if he feeds it right on his own farm.

But when Uncle Sam figures out total U.S. wheat acreage he has to count in these small plots and because total acreage is set at 55 million acres somebody has to give up acres. So far it's been subtracted from the commercial areas like North Dakota where the land is particularly suited to wheat production. And that is a situation that needs correcting.

Oddly enough, Senator YOUNG says, foreign people have a strong preference for soft wheat. Producers of soft wheat have done much more to sell their wheat abroad than producers of hard, high protein wheat. They have practically no surplus problem, and much more favorable cash prices. On February 19, 1959, the price support at Portland, Oreg., for soft wheat was $2.05 and the cash price $2.18. The price support at Baltimore for soft red winter wheat was $2.26 and the cash price $2.20. At Minneapolis the support price for No. 1 Dark Northern Spring Wheat was $2.20 and the cash price $2.08.

On top of that, Senator YOUNG says, North Dakota and the upper Midwest have lost their once-good market for feed grains in the New England States. The support price for oats at Crosby, N. Dak., this year will be approximately 38 cents a bushel, and the freight rate to Boston is 45 cents, or more than the price of the oats. Most of New England's feed grains are now obtained from States that are closer and consequently, have cheaper freight rates, and from Canada, which has subsidized export freight rates.

So these things add up to a squeeze on our upper Midwest farmers. But at the same time they are expanding into the livestock business. According to Senator YOUNG they can produce a pound of beef or pork cheaper than it can be done in Iowa or Illinois. And here again the co-ops are moving to give the farmers the kind of top service they need. That's why GTA is in the feed business in a big way. It is not only manufacturing and supplying top quality feeds, but using homegrown grains at home.. This is a double-barreled saving for farmers.

But that's the job co-ops were cut out to do—to serve the farmers in every way possible—GTA, the co-op way.

TEENAGE TRAFFIC SAFETY CONFERENCE

Mr. LANGER. Mr. President, the matter of traffic safety and traffic education in the United States is one of the most serious problems that confronts our people today.

Over 40,000 people die each year as a result of traffic accidents. Untold misery and millions of dollars are lost because of reckless, careless, and inconsiderate driving on the part of many automobile drivers.

The District Commissioners' Traffic Coordinating Committee and the Metropolitan Traffic Area Council have been conducting an energetic campaign of traffic safety and traffic education. Yesterday, Gen. A. C. Welling, Engineer Commissioner, met with religious leaders of the four major faiths, Protestant, Catholic, Greek Orthodox, and Jew, to discuss a religious weekend in traffic safety education, preceding the Memorial Day weekend, which has been a time so destructive in the matter of traffic fatalities and accidents.

From the third issue of the District of Columbia Traffic Safety Reporter, edited by Anthony L. Ellison, there appears an interesting editorial on the plight of a pedestrian in Washington traffic. It also contains an interesting article on the District of Columbia teenage traffic safety conference, in which they recommend a 12-point safety program to the District Commissioners. It is gratifying to note that in this era of concern for juvenile delinquency, we find on the constructive side teenagers who so capably concern themselves with traffic problems.

Mr. President, I bring these items to the attention of the Members of Congress for their information, and for the guidance of those interested in traffic safety in other parts of the country. I ask unanimous consent that the article and editorial be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

A bantam rooster was scratching around in the stall of a large percheron horse. When the horse got restless and started moving around, the rooster looked up at the horse and said, "We'd better be careful, brother, or we're liable to step on one another's toes."

This story reminds us of the plight of the harried pedestrian in Washington traffic. Of course, the pedestrian has "rights" in traffic but he must make very certain they do not become his last "rites."

In a recent editorial entitled "Unsafe Safety Zone", the Washington Evening Star said:

"The alarming increase in deaths and injuries among Washington's pedestrians calls for a crackdown on those responsible. Crosswalks are supposed to be safety zones for persons crossing the streets, but an analysis of this year's accidents has revealed that they are far from safe for pedestrians. * * * Since pedestrians by law are supposed to have the right of way in crosswalks, motorists must shoulder the major part of the blame for the increase in deaths in 1959. * * * The proposal that motorists

arrested for inflicting injuries on pedestrians be prohibited from forfeiting collateral—as they are permitted to do in many cases now—is a good first step toward better enforcement."

In the meantime, can't we motorists be more tolerant of the pedestrian? Sure, he has his faults * * * but are they crimes punishable by death?

Some 150 high school delegates to the sixth annual District of Columbia teenage traffic safety conference on March 25 presented a 12-point safety program to the District Commissioners.

The young delegates heard Congressman WALTER E. ROGERS, Democrat, of Texas tell them: "You have the whole world in your hands."

Representative ROGERS, who has been a member of the House of Representatives subcommittee considering traffic safety since its inception, emphasized that young drivers can point the way to the solution of America's monumental traffic accident problem.

Under the chairmanship of Raymond Kemp of Gonzaga High School, the student delegates considered and proposed 12 steps toward accident prevention in the District of Columbia. They recommended:

1. That the Department of Motor Vehicles take steps to help organize a permanent District of Columbia teenage traffic safety council.

2. That greater interest in traffic safety be promoted among the various Parent-Teacher Associations and that the PTA's in turn cooperate with the student bodies of their respective schools.

3. That the driver's permit be renewed only after comprehensive reexamination.

4. That further research be carried out to develop more effective methods of testing driver attitudes and emotional stability, which are important in traffic accident prevention.

5. That the District Government forbid the sale of alcoholic beverages to persons under the age of 21 and that particular emphasis be placed on the effects of driving after drinking in both the driver education course and the general high school curriculum.

6. That all persons convicted of driving under the influence of alcohol be required by law to attend a special course on the effects of alcohol on driving ability.

7. That the driver education course be required of all persons under 18 years of age before they are licensed to drive.

8. That qualitative standards for instruction in commercial driving schools be established and regulated by the District government.

9. That more rigid and comprehensive written and road tests be required in driver licensing.

10. That the Metropolitan Police Department enforce pedestrian regulations more rigidly.

11. That "walk" and "don't walk" traffic signs be placed at additional strategic intersections in the city.

12. That additional traffic safety posters be placed at strategic street locations, particularly at uncontrolled intersections.

Following the conference, Lt. Col. Jess P. Unger, Assistant Engineer Commissioner, announced that the 12 conference recommendations will be distributed to the District Department heads concerned and then discussed at a future meeting of the Commissioners' Traffic Coordinating Committee, of which he is chairman.

"I was most impressed by the serious attitude of these young people in discussing the traffic problem and I feel that their recommendations are worthy of equally serious consideration by us," he said.

Represented at the conference were some 25 public, parochial, and private senior high schools located in Washington.

District of Columbia Commissioners, Robert E. McLaughlin, David B. Karrick, and Brig. Gen. Alvin C. Welling; Deputy Superintendent of Schools Lawson J. Cantrell; Msgr. Thomas W. Lyons, Assistant Archdiocesan Director of Education, and George A. England, Director of Motor Vehicles, greeted the delegates at the opening of the conference.

The morning session featured group discussions on youth organizations, driving attitudes, physical fitness for driving, traffic laws, driver education and pedestrian safety.

Chairmen of the student group discussions were: Dick Fitzgerald, Gonzaga; Elmer Holt, Wilson; Raymond Kemp, Gonzaga; Patricia Norgorden, Anacostia; Jim Gildea, Gonzaga; and Joan Wallace, Immaculate Conception.

THE HEALTH FOR PEACE BILL

Mr. LANGER. Mr. President, as one of the cosponsors of the health for peace bill, I urge the Members of Congress to give serious consideration to its passage.

This bill has 59 cosponsors from both sides of the aisle, and its purpose is to create a new impetus to medical research. A very excellent analysis of the scientific teamwork behind the health for peace bill was written by Howard A. Rusk, M.D., associate editor of the New York Times, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN ANALYSIS OF SCIENTIFIC TEAMWORK BEHIND THE HEALTH FOR PEACE BILLS

(By Howard A. Rusk, M.D.)

Last Monday Senator LISTER HILL, Democrat, of Alabama, reintroduced in the Senate his bill to expand U.S. support of international medical research. In a strong show of bipartisan support, 59 of Senator HILL's colleagues joined him in cosponsoring the legislation.

Representative JOHN FOGARTY, Democrat, of Rhode Island, has also reintroduced a similar bill in the House of Representatives.

This legislation, known popularly as the health for peace bill, would create within the National Institutes of Health a new National Institute of International Medical Research with an annual appropriation of $50 million.

These funds would be used to encourage and support research and the exchange of information on research, the training of research personnel and the improvement of research facilities throughout the world.

The bill would authorize grants to support such activities ranging from research in basic science to research in rehabilitation. Grants could be made to foreign and American universities and research organizations and to voluntary and governmental international agencies such as the World Health Organization.

Under the plan, a National Advisory Council for International Medical Research, composed of nongovernmental leaders, would establish policies, make recommendations and approve grants and loans under the program.

COUNCILS WOULD ADVISE

The existing specialized advisory councils on heart, cancer, arthritis and metabolic diseases, neurological diseases and blindness, vocational rehabilitation, and similar specialized fields would advise the new National Advisory Council for International Medical Research on specific projects within their particular area of interest and competence.

The program would not replace any of our current programs of multilateral international health activities through the World Health Organization or UNICEF or any of our bilateral activities conducted through the International Cooperation Administration.

Nor would it supplant the research programs being conducted through the International Cooperation Administration.

Nor would it supplant the research programs being conducted in the United States through the National Institutes of Health. It would enhance these activities and at the same time provide a mechanism and funds for uniting science throughout the world in a greatly expanded global attack on disease and disability.

The key factor in grants from the new National Institute for International Medical Research over and above the usual criteria applied to research projects, would be their international implications.

Although there are innumerable corollary values in Senator HILL's proposal, it is based primarily on recognition of the fact that medical research is so highly complex and interrelated that victory over any disease or disability can be achieved only through the research results of many scientists throughout the world.

FULL OF EXAMPLES

The history of medicine is replete with examples of this.

It was a Dutch scientist in 1676 who first revealed the world of micro-organisms. An English physician, Edward Jenner, who observed in 1796 that vaccination prevented smallpox, provided the basis for modern immunological concepts.

Iwanowski, a Russian, identified the first virus in 1892. Two Canadians, Sir Frederick Banting and Charles Best, were the first to isolate insulin in 1921.

The Spanish neuronanatomist, Santiago Ramon y Cajal, and the Italian histologist, Camillo Golgi, shared the Nobel Prize in 1906 for their work on the structure of the nervous system. The list goes on and on—penicillin from England, cortisone from the United States, rauwolfia from India, sulfonamides from Germany.

The health for peace bill is a direct outgrowth of the proposals of President Eisenhower in his 1958 state of the Union message for a science for peace plan to attain a good life for all. As the first step in such a plan, President Eisenhower at that time invited the Soviet Union to join in the current 5-year program for the global eradication of malaria.

The President then stated our willingness to pool our efforts with the Russians in other campaigns against cancer and heart disease and the other scourges of mankind. "If the people can get together on such projects," he said, "is it not possible that we could then go on a full-scale cooperative program of science for peace?"

DISCUSSED IN MOSCOW

It was to discuss the proposals for a greatly expanded international medical research program that Senator HUBERT HUMPHREY, Democrat, of Minnesota, went to Moscow in early December for his now famous 8-hour interview with Soviet Premier Nikita S. Khrushchev. The first 2 hours of the interview were spent discussing international medical research.

In a statement issued in Moscow after the interview, Senator HUMPHREY reported the Soviet Premier had given enthusiastic approval to the proposal.

He said further: "During my interview with the Premier, I had noted that areas of disagreement between our respective foreign policies remain broad and deep. It does not appear that, for a considerable time, these differences will be resolved. In the meantime, we need to learn how to work together, and the best place to start is in the nonpolitical area. The world is hungry for some evidence of effective Soviet-American collaboration. One of the best areas in which to start is in the field of health."

The fact that 59 other Senators joined with Senator HILL in cosponsoring his health for peace bill indicates that a majority of the Senate agree with the statement of Senator HUMPHREY on the need for such a program and with Senator HILL that his proposals would help meet that need.

They realize that not only will such a program improve international understanding but also may well provide a breakthrough on the killing and crippling diseases that plague mankind.

Every citizen in the United States has a personal stake in this program.

The enthusiastic congressional support of the health for peace bill gives dimension and significance to the aphorism of the late Sir William Osler, who once said: "The great republic of medicine knows and has known no national boundaries."

Mr. LANGER. Mr. President, Dr. Rusk appeared before the Senate Committee on Labor and Public Welfare on Tuesday, February 24, giving a valuable testimony in support of this measure. I should like to quote a portion of his remarks, as follows:

The International Health and Medical Research Act of 1959 is essentially a humanitarian program directed toward a global assault on mankind's most important enemies—disease and disability. But it has tremendous political implications for its rehabilitation aspects emphasize our belief in the United States of America that man's mission on earth is to heal and not to hurt, to build and not to destroy.

It is most significant that when your chairman, Senator HILL, introduced the International Health and Medical Research Act of 1959, 59 of you gentlemen here and your colleagues in the Senate joined him in cosponsoring this important legislation. Today there is widespread interest and support of this legislation in all walks of life in the United States. The people of the United States have demonstrated, through their willingness to contribute both tax and voluntary funds, their firm belief in the value of research in health, medicine, and rehabilitation. Most, I am confident, will also agree that while we and the rest of the world are spending billions of dollars for research for instruments of death and destruction in our struggle for survival, we should spend a few millions positively on promoting health, happiness and human understanding in our struggle for peace.

Over 300 years ago an English philosopher once said, "If every man would but mend a man, the world would all be mended." The International Health and Medical Research Act of 1959 is a significant step toward this goal.

AWARD TO THE A. W. LUCAS CO.

Mr. LANGER. Mr. President, this past week I had the pleasure of visiting with a very fine and distinguished citizen of North Dakota, my good friend Hon. R. Fay Brown, of the A. W. Lucas Co., department store, Bismarck, N. Dak., who had just returned from New York City to accept on behalf of the company the award for being named the Brand Name Retailer of the Year, of department stores in class II category for this award.

Mr. President, that is quite an honor for North Dakota, since the A. W. Lucas Co. was voted the best in the Nation. While in New York, Mr. Brown visited with the Honorable Henry Abt, president of the Brand Names Foundation, and Fred Newell, Jr., director of the retail relations, who have done so much in bringing brand names of products before the people of America.

Mr. President, not only is Mr. Brown a prominent member and manager of the A. W. Lucas Co. which won this outstanding award, but he has been, for a number of years, a very fine member of the House of Representatives of the North Dakota State Legislature.

I offer my congratulations to R. Fay Brown and the A. W. Lucas Co. for receiving this fine award of the Brand Name Retailer of the Year.

I ask unanimous consent that an article in the Bismarck Capital of March 20, 1959, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LUCAS, CORWIN'S SCORE IN NATIONAL RETAIL CONTEST

A. W. Lucas Co. in Bismarck was notified this week of winning the Nation's highest retail award, Brand Name Retailer of the Year for 1958 in the Brand Names Foundation's department stores—class II category.

Corwin Churchill Motors, Inc., also won national recognition in receiving a certificate of distinction in the automobile dealers category.

Both stores received notification by telegraph from the foundation. Eli Torrance of Lucas Co., and Charles J. Whittey, of Corwin-Churchill, will receive the awards during a dinner in the grand ballroom of the Waldorf-Astoria Hotel April 15.

The banquet will be attended by more than 1,500 business and civic leaders, climaxing Brand Names Week, April 12–19.

Winners are chosen by a panel of judges composed of the top award winners of the previous year.

To select the winners, the panel examined comprehensive presentations of their 1958 activities submitted by more than 550 retailers who had been selected as finalists and given an opportunity to compete for the awards. Finalists were screened from 49 States, District of Columbia, Hawaii, and Canada.

In judging, the panel's decisions were made primarily on the firm's 1958 brand advertising and promotional campaigns, as well as their education of customers and personnel about the basic policy of featuring manufacturers' advertised brands.

R. Fay Brown, manager of the A. W. Lucas Co., said Tuesday that this is the fifth—and highest—Brand Names award won by the A. W. Lucas Co. since the firm won a certificate of distinction in 1948. Since then it has won two second place and two third place awards in its class, he said.

The winning merchants, their families, and business associates will be honored during a 3-day celebration in New York City, April 13, 14, and 15, by civic officials, brand manufacturers, publications, and trade associations.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. MANSFIELD. Mr. President, after consultation with the minority leader, who in turn had consultations with the distinguished Senators from North Carolina and Massachusetts, I ask unanimous consent that the time on the Ervin amendment be limited to 20 minutes, 10 minutes to each side.

Mr. DIRKSEN. Mr. President, reserving the right to object, but only for the purpose of inquiry, it is my understanding that there are no more speeches to be made on this side of the aisle on the Ervin amendment. I have been informed that the distinguished Senator from North Carolina has 10 minutes, and the Senator from Massachusetts has 10 minutes, one to speak on one side of the question, and one on the other side.

After consultation with the Senator from Arizona, so far as I know this arrangement will be agreeable. So at the end of 20 minutes there will be a vote on the Ervin amendment to strike title VI from the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. I withdraw my objection.

The PRESIDING OFFICER. The Chair hears no objection, and the agreement is entered.

Mr. ERVIN. Mr. President, I shall be brief. I hope Senators will remain in the Chamber to hear what I shall say in behalf of the amendment and what the Senator from Massachusetts will say in opposition to the amendment.

As a member of the McClellan committee, I have been astounded by the revelations of conditions which exist in what I believe to be a minority of the unions of the Nation. Nevertheless, those unions represent several million persons who are employed in industries affecting commerce within the meaning of the Taft-Hartley Act. We have found that custodians of union treasuries have taken enormous sums of money from those treasuries in order to enrich themselves and their cronies. After robbing the treasuries, the custodians have destroyed the financial records of those unions in order that their misdeeds might be concealed from the members, law-enforcement officers, and tax authorities.

Furthermore, custodians of union treasuries have taken vast sums of money from those treasuries and devoted them to purposes which had no connection with the objectives of the unions to which the moneys belonged. For example, in one instance more than $60,000 was extracted from a union treasury to pay for the defense of a union officer who misused his union office to extort money from others in order to enrich himself personally. The union in question had no legal interest whatever in his defense.

In addition to malpractices of this nature, the committee found that in a number of unions investigated by it the rank-and-file members had no more voice in their affairs than do the subjects of totalitarian dictators. We found that in many instances the members of the unions had been robbed of any voice

whatever in the management of the affairs of their unions or in the selection of their officers.

The committee found an unbelievable condition to exist in the largest union in the United States, the Teamsters, whose membership totals 1,500,000. Men who had been convicted of armed robbery, of burglary, of extortion, and other serious crimes had been given positions of authority over the honest rank and file members of that union right after their release from prison and before they had indicated any repentance of their crimes. That condition existed not only in the Teamsters Union but also in a number of other unions which were investigated.

The first five titles of the bill are adequately adapted to prevent or punish these malpractices upon rank and file union members, my amendment proposes to strike out provisions relating to the Taft-Hartley Act which have no connection whatever with these malpractices in the internal affairs of unions.

When the Kennedy-Ives bill was before the Senate last year, the Senate passed that bill with some nongermane Taft-Hartley amendments attached, two of which are retained in the bill now before the Senate. In my judgment, the Kennedy-Ives bill was defeated in the House last summer because the bill included nongermane amendments to the Taft-Hartley Act. The bill now before the Senate is likewise saddled with six nongermane amendments to the Taft-Hartley Act, which arouse unnecessary opposition to it.

Why should the right of rank and file union members to get relief from such internal malpractices as have been disclosed by the McClellan committee be jeopardized by including in the bill amendments which have no relationship whatever to the main objective of the bill, which is to prevent or punish such malpractices?

The purpose of my amendment is to strike out the nongermane Taft-Hartley amendments, which stir up unnecessary opposition to the bill. There are no proposals for amendment of the Taft-Hartley law which are noncontroversial, because industry, on the one hand, and labor, on the other hand, have been arguing about virtually all the provisions of the Taft-Hartley law since 1947, when it was enacted.

Let us remove from the pending bill the Taft-Hartley provisions. Let us make this bill for the protection of those who have no protection: the rank and file of union members who have the misfortune to hold membership in unions which are dominated by either dictatorial officers or corrupt officers.

The committee found, in addition, that on occasions corrupt union leaders and equally corrupt management had entered into agreements under which the union leaders had "sold down the river" those whom they were supposed to represent. The bill contains adequate provisions to correct that practice and put an end to it.

Let us not jeopardize the right of the rank and file of labor by saddling the bill with numerous nongermane amendments to the Taft-Hartley Act. If that is done, we shall be endangering the passage of the bill. We shall be making it certain that the Taft-Hartley Act will be mangled on the floor of the Senate and the floor of the House.

It is significant that six members of the McClellan committee have spoken on the bill. Five of the six have advocated the adoption of my amendment, because they are convinced that it is not wise to endanger the passage of a bill protecting rank and file union members who now have no protection, merely to secure the adoption of a few partial amendments to the Taft-Hartley Act. The Senate Labor and Public Welfare Committee has created an outstanding advisory body consisting of 12 persons, 3 of whom represent labor, 3 of whom represent management, and 6 of whom represent the general public. That body is to study the entire field of the Taft-Hartley Act and make recommendations to the Senate Committee on Labor and Public Welfare concerning amendments which should be made to the act. Why not leave all questions arising under the Taft-Hartley law which are not germane to the major purpose of the pending bill to the consideration of the special advisory body of experts and the Senate Committee on Labor and Public Welfare for further study, instead of acting on them in piecemeal fashion such as is proposed in title VI?

To create an advisory body composed of 12 outstanding experts in this field for a complete study of the Taft-Hartley Act, and then to undertake to make changes in the Taft-Hartley Act without waiting for that committee to study the subject and report on it, is about as wise as calling for a physician to come and treat a person for some ailment, and then have the person undertake to treat himself for the ailment while the physician is en route to the person's house for that purpose.

The rank-and-file members of unions controlled by dictatorial union officers or by corrupt union officers are entitled to immediate relief. If we saddle the bill with nongermane amendments to the Taft-Hartley Act, we shall jeopardize the prospect of their securing that relief.

On the contrary, Mr. President, if my amendment is adopted and if all nongermane Taft-Hartley amendments are excluded from the bill, Congress will be able to pass the bill with a minimum of delay, and speedily make it law.

Then the special advisory body and the Senate Committee on Labor and Public Welfare can study the entire Taft-Hartley Act field, and a proper bill can be brought forth to deal with it in an adequate manner. It seems to me that is the sensible thing to do. As I have said, any other course will confront us with the danger of one or the other of two unpleasant alternatives: Either to have no legislation at all, as happened last year; or to have a Taft-Hartley Act which will be considerably mangled because it will be rewritten upon the floor of the Congress, rather than in committee. For these reasons, I urge the Senate to adopt my amendment.

Mr. KENNEDY. Mr. President, I rise in opposition to the amendment of the Senator from North Carolina.

I shall briefly explain why the provisions of title VI are included in the bill.

When the bill was originally introduced, last year, it contained only the first five titles of the bill which now is before us.

The sixth title, which deals with changes in the Taft-Hartley Act, was not in the original bill. But when the Secretary of Labor, Mr. Mitchell, came before the committee, in making his original recommendations he suggested that we cover all the points which now are covered by title VI.

When the pension and welfare bill was before the Senate in April 1958, and when the committee agreed that it would report a reform bill, Senator Smith of New Jersey, then the ranking Republican member of the committee, insisted on including, as a part of the agreement, an understanding that we would also consider including in the bill the changes in the Taft-Hartley Act the Secretary of Labor had recommended. We agreed to do so; and in committee we agreed to report the bill in much the same form as that of the bill which now is before the Senate.

In January of this year, the Secretary of Labor, Mr. Mitchell, testified before the Senate Committee on Labor and Public Welfare, and again recommended that these provisions be included in the bill. So when I say that this title of the bill is not controversial, I mean that it is not controversial as between the Secretary of Labor and the majority of the membership of the Senate Committee on Labor and Public Welfare.

Title VI contains six general provisions.

The first deals with the "no man's land." The fact is that the "no man's land" provisions are wholly germane to the bill, and constituted the fifth recommendation of the McClellan committee, in its first annual report. The Senate should deal with the question of the "no man's land"; and it is dealt with by section 601 of this bill, under the umbrella and in the context of dealing with the recommendations of the McClellan committee.

However, if the Senate were to adopt the amendment of the Senator from North Carolina [Mr. ERVIN], this part of title VI would be stricken out.

The second section of title VI relates to the building and construction trades. This part of title VI is in somewhat different form from the recommendation made last year by the Secretary of Labor. The corresponding proposal last year was adopted by the Senate by a vote of 60 to 29.

This section of title VI is substantially the same as a bill introduced in 1951 by Senators Taft, Nixon, Humphrey, and Cain, and passed by the Senate on May 12, 1952. It is substantially the same as an amendment adopted by the Senate in 1954 by a voice vote at a time when the Senate was in the control of the Republican Members; and the amendment was offered by Senator Smith of New

Jersey, then the ranking Republican member of the Committee on Labor and Public Welfare. This matter is one which we have been considering for 8 years. The practices dealt with by this part of title VI have exposed the building and construction industry to all kinds of corruption and back-door deals. Last year the Senate agreed, by a vote of 2 to 1, to deal with this matter. I believe, as Senator Taft and others did many years ago, that action should be taken to adjust the Taft-Hartley Act to the peculiar conditions in the construction industry.

The third section of title VI relates to economic strikers. It relates to a 1947 amendment to the Taft-Hartley Act, which inserted certain language in section 9(c)(3). In the 1952 campaign, President Eisenhower himself spoke against that "union busting" provision; and in a special labor message in 1954, the President recommended that a change be made in the provision.

The difficulty which this amendment is designed to rectify occurs when employees go on strike, and the company undertakes to employ replacements, and is able to resume normal production, by using a number of new employees, as well as certain of the returned strikers. Under such circumstances the union is virtually deprived of any bargaining power; and if a representation election is held the union loses, because it is not likely that the replacement workers will vote for the union. This amendment would permit the NLRB to decide when and under what circumstances it would be desirable for economic strikers to vote.

So this proposed amendment, which previously was unanimously adopted by the Senate, on the suggestion of the junior Senator from Mississippi [Mr. STENNIS], deals with a problem which for the past several years has been the subject of a considerable amount of consideration by the President of the United States and by a number of others.

The next part of title VI deals with prehearing elections. This is a provision which was before the Senate in different form last year. This matter was brought up this year as a result of a number of cases which demonstrated the desirability of instituting such prehearing elections. One of the outstanding examples was the Coffey Transfer Co. case, which was brought before the McClellan committee.

Furthermore, during the year 1958, a firm of management consultants—McKinsey & Co.—was retained by the National Labor Relations Board to survey its internal procedures; and that firm of consultants issued a report which incorporated certain recommendations, including reinstitution of the prehearing election.

In the Coffey Transfer case, the election was delayed for so long that finally it became apparent that the union would drive Mr. Coffey out of business. Finally, Mr. Coffey was driven out of business.

As a result of many experiences of that sort, the National Labor Relations Board has indicated that this is one of the most important provisions which could be adopted in order to speed up the procedures of the Board and in order to do equity to both labor and management. I believe that after considering the matter the Senate will agree that the adoption of this provision is long overdue. I point out that this provision has the recommendation and the support of the Chairman of the National Labor Relations Board, Mr. Leedom, who on several occasions has stated, before the committee, that this provision will speed the procedures of the Board.

The next provision of title VI deals with the so-called service assistants in the communications industry. A redefinition of the term "supervisor" was adopted by the Senate last year by a vote of 47 to 36. That provision was not a very satisfactory one, and our committee has now rewritten it restricting its impact very considerably. As rewritten, it deals only with a relatively small number of employees who should not be included in the term "supervisor" but who under certain recent decisions of the Board are in danger of being removed from bargaining units in which they are now included.

The next part of title VI would permit the President to designate an officer or employee of the general counsel's office to serve as an acting general counsel of the National Labor Relations Board. This provision is simply a housekeeping one. There is some precedent for it, and I believe it is in the public interest.

Mr. Presdent, in my opinion, those provisions of title VI will aid in getting a labor reform bill enacted this year. If I thought otherwise, I would vote against title VI.

However, the bill faces a difficult time on the floor of the Senate and in the other body. I believe title VI will help secure favorable action on the bill. I believe that all these provisions of title VI are important.

Therefore, much as I admire the Senator from North Carolina [Mr. ERVIN], and much as I appreciate his very considerable help in connection with the bill, I hope his amendment will be rejected.

Mr. President, I yield back the remainder of the time under my control.

Mr. ERVIN. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, has all remaining time been yielded back?

The PRESIDING OFFICER (Mr. DODD in the chair). That is correct.

The question is on agreeing to the amendment of the Senator from North Carolina [Mr. ERVIN]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Delaware [Mr. FREAR] and the Senator from Rhode Island [Mr. GREEN] are absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. GREEN] and the Senator from Minnesota [Mr. HUMPHREY] would each vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Missouri [Mr. SYMINGTON].

If present and voting the Senator from Delaware would vote "yea" and the Senator from Missouri would vote "nay."

The result was announced—yeas 27, nays 67, as follows:

YEAS—27

Bennett	Goldwater	Proxmire
Butler	Hickenlooper	Robertson
Byrd, Va.	Holland	Russell
Carlson	Hruska	Schoeppel
Church	Jordan	Smathers
Curtis	Lausche	Stennis
Eastland	McClellan	Talmadge
Ervin	Martin	Thurmond
Fulbright	Mundt	Williams, Del.

NAYS—67

Aiken	Engle	Mansfield
Allott	Gore	Monroney
Anderson	Gruening	Morse
Bartlett	Hart	Morton
Beall	Hartke	Moss
Bible	Hayden	Murray
Bridges	Hennings	Muskie
Bush	Hill	Neuberger
Byrd, W. Va.	Jackson	O'Mahoney
Cannon	Javits	Pastore
Capehart	Johnson, Tex.	Prouty
Carroll	Johnston, S.C.	Randolph
Case, N.J.	Keating	Saltonstall
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smith
Clark	Kerr	Sparkman
Cooper	Kuchel	Wiley
Cotton	Langer	Williams, N.J.
Dirksen	Long	Yarborough
Dodd	McCarthy	Young, N. Dak.
Douglas	McGee	Young, Ohio
Dworshak	McNamara	
Ellender	Magnuson	

NOT VOTING—4

Frear	Humphrey	Symington
Green		

So Mr. ERVIN's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN] to lay on the table the motion of the Senator from Montana [Mr. MANSFIELD] to reconsider.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I call up an amendment in the nature of a substitute for all of title VI, on which the Senate just voted. Instead of having the substitute amendment read at length, I ask unanimous consent that it be stated by title and printed in the RECORD, and then I will make a brief explanation, because I doubt whether a long-winded speech on my part is necessary.

The PRESIDING OFFICER. The amendment will be stated in brief by the clerk.

The LEGISLATIVE CLERK. It is proposed to strike out title VI, which begins on line 14, page 54, and ends on line 25, page 59, and to insert in lieu thereof a new title VI.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois that

the reading of the amendment be dispensed with and that the amendment be printed in the RECORD?

There being no objection, Mr. DIRKSEN'S amendment was ordered to be printed in the RECORD, as follows:

TITLE V—LABOR-MANAGEMENT RELATIONS

SEC. 501. (a) Section 3(a) of the National Labor Relations Act, as amended, is amended by adding after the period at the end thereof the following: "Not more than three members of the Board shall be members of the same political party."

(b) Section 3(d) of the National Labor Relations Act, as amended, is amended by adding after the period at the end thereof the following language: "In case of a vacancy in the office of the General Counsel the President shall designate the officer or employee who shall serve as General Counsel during such vacancy."

SEC. 502. (a) Section 6 of the National Labor Relations Act, as amended, is redesignated "6(a)" and is further amended by adding at the end thereof the following new subsection (b):

"(b) (1) The Board, in its discretion, may, by rule or otherwise, decline to assert jurisdiction over any labor dispute where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction.

"(2) Nothing in this Act shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction."

SEC. 503. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4)(i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or

"(ii) to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce.

where an object thereof is: (A) forcing or requiring any employer or self-employed person to join any labor or employer organization; (B) forcing or requiring any person to cease, or to agree to cease, using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease, or to agree to cease, doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9; (C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9; (D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act: *Provided further*, That nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful where not otherwise unlawful (i) any strike against, or refusal to perform services for, any person who has contracted or agreed with an employer to perform for such employer work which he is unable to perform because his employees are engaged in a strike not unlawful under this Act; or (ii) any strike or refusal to perform services at the site of the construction, alteration, painting, or repair of a building, structure, or other work and directed at any of several employers who are in the construction industry and are jointly engaged as joint venturers or in the relationship of contractors and subcontractors in such construction, alteration, painting, or repair at such site, and there is a labor dispute, not unlawful under this Act or in violation of an existing collective bargaining contract, relating to the wages, hours, or other working conditions of employees employed at such site by any of such employers."

(b) Section 303(a) of the Labor Management Relations Act, 1947, as amended, is amended to read as follows:

"(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) of the National Labor Relations Act, as amended."

SEC. 504. (a) Subsection (b) of section 8 of the National Labor Relations Act, as amended, is amended by striking out the word "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6), and inserting in lieu thereof a semicolon and the word "and", and by adding a new paragraph as follows:

"(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer with the object of forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative:

"(A) where the employer has recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act; or

"(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted; or

"(C) where the labor organization cannot establish that there is a sufficient interest on the part of the employees in having such labor organization represent them for collective bargaining purposes; or

"(D) where such picketing has been engaged in for a reasonable period of time and at the expiration of such period an election under section 9(c) has not been conducted.

"(E) Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section 8."

(b) Subsection (1) of section 10 of such Act is amended by striking out the first sentence and substituting in lieu thereof the following: "Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4)(A), (B), or (C), or paragraph (7) of section 8(b), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred."

SEC. 505. Section 8(d) of such Act is amended by striking out all of the language after the colon at the end of paragraph (4) and in lieu thereof inserting the following: "The duties imposed upon employers, employees, and labor organizations by paragraphs (2), (3), and (4) shall become inapplicable upon an intervening certification of the Board under which the labor organization or individual, which is a party to the contract, has been superseded as or ceased to be the representative of the employees subject to the provisions of section 9(a), and the duties so imposed shall not be construed as requiring either party to a contract for a fixed period to discuss or agree to any modification of the terms and conditions of employment whether or not embodied in such contract, if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract. Any employee who engages in a strike within the sixty-day period specified in this subsection shall lose his status as an employee of the employer engaged in the particular labor dispute, for the purposes of sections 8, 9, and 10 of this Act, as amended, but such loss of status for such employee shall terminate if and when he is reemployed by such employer."

SEC. 506. (a) Section 9(c)(1) of the National Labor Relations Act, as amended, is amended by inserting the word "or" after the semicolon at the end of clause (B) and adding a new clause "(C)" as follows:

"(C) by an employer primarily engaged in the building and construction industry and a labor organization acting in behalf of employees engaged (or who, upon their employment, will be engaged) in the building and construction industry, asserting that such employer recognizes such labor organization as the representative defined in section 9(a) and has entered into a collective bargaining agreement with such labor organization;".

(b) Such subsection is further amended by inserting a colon before the period at the end thereof and adding the following language: "*Provided*, That the Board may, without prior thereto having conducted an election by secret ballot, certify a labor organization referred to in clause (C) of this paragraph as the exclusive representative of employees of an employer referred to in said clause (C) in such unit as the Board may find is appropriate for the purposes of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment: *Provided further*, That the preceding proviso shall not apply where there is no history of a collective bargaining relationship between the petitioning employer and labor organization prior to the current agreement or an employee or group of employees or any individual or labor organization acting in their behalf allege, and the Board finds, that a substantial number of employees presently employed by the employer in the bargaining unit assert that the labor organization is not a representative as defined in section 9(a)."

SEC. 507. Section 9(c)(3) of the National Labor Relations Act, as amended, is amended by striking out all of the second sentence thereof.

SEC. 508. Section 9(c)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4) Nothing in this section shall be construed to prohibit the Board from conducting elections prior to hearing where the Board finds no substantial objection to such proceeding is being made or the waiving of hearings by stipulation for the purpose of a consent election in conformity with the regulations and rules of decision of the Board."

SEC. 509. No provision of this title shall be deemed to make an unfair labor practice any act which was performed prior to the effective date of this title which did not constitute an unfair labor practice prior thereto.

SEC. 510. The amendments made by this title shall take effect sixty days after the date of the enactment of this Act.

Mr. McCLELLAN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I should like to inquire if the proposed substitute amendment, just called up, has been printed, so that we may have copies of it to follow?

Mr. DIRKSEN. Mr. President, the substitute amendment contains nearly all of title V in Senate bill 748, which was the administration bill and which was under consideration by the committee. The only change is that the section relating to the Communist affidavit has been stricken because it is treated elsewhere in the bill now under consideration. Other than that, the substitute contains all of title V of Senate bill 748. I think copies of that bill are available. If not, they can be made available.

Mr. McCLELLAN. What is the number of the bill?

Mr. DIRKSEN. Senate bill 748, which was introduced by the Senator from Arizona [Mr. GOLDWATER] and other Senators.

Mr. McCLELLAN. The Senator refers to title V of that bill?

Mr. DIRKSEN. Yes; to title V.

Mr. McCLELLAN. If we have before us title V of S. 748 we can follow the Senator in his discussion?

Mr. DIRKSEN. That is correct.

Mr. KUCHEL. Mr. President, may we have order so that we can hear the Senators?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DIRKSEN. Mr. President, I suggest that the staff provide copies of S. 748 to Members of the Senate.

Mr. President, I ask for the yeas and nays on the substitute amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I will briefly run through the items in the substitute amendment, and I shall try to make the explanation as plain as possible.

The first provision in the substitute amendment relates to the vacancy in the Office of the General Counsel. As the matter stands now, there is difficulty, and sometimes the Board has been immobilized for a certain length of time because unless there was action on the nomination of a successor when the General Counsel resigned, the office was vacant. Since the office was clothed with specific authority that caused some difficulty. Therefore, the provision in the substitute amendment is that the President may designate an officer or employee to serve as General Counsel during any vacancy.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. Will the Senator tell us from what page he is reading?

Mr. DIRKSEN. I am reading from subsection (b) on page 58 of Senate bill 748.

Mr. MUNDT. I thank the Senator. The amendment is not printed, and this will give us a chance to follow the explanation of the Senator.

Mr. DIRKSEN. Mr. President, the second item in the substitute amendment relates to the so-called no man's land difficulty we have encountered under the National Labor Relations Board, which was so freely and generously ventilated in connection with the discussion of the labor bill last year.

The matter crystallized somewhat because of the case in Utah of a small blueprinting company which really did not have a sufficient number of employees to affect commerce, and the National Labor Relations Board refused to take jurisdiction of the case. It was a good deal like the fellow up in Tewksbury, Mass., who at a ripe old age passed away. He went to Heaven and St. Peter said, "You can't stay here." Then he went down below, and the Devil said, "Sorry, you can't stay here." Then, with some frustration, the old gentleman said, "What will I do?" and the Devil said, "You will have to go back to Tewksbury."

The situation which confronted that little company was that the National Labor Relations Board would not take jurisdiction, and the State administrative authorities and courts could not take jurisdiction. That is what we have referred to as no man's land. The situation was left dangling in the air, without a remedy against those who were causing the difficulty in the business.

The substitute contains a provision to the effect that the Labor Board may relinquish jurisdiction if it so decides, for the very reason that commerce has not been substantially burdened. But on the other hand, if the Board does not assume jurisdiction, it will not prevent the State courts and the State administrative bodies from asserting and assuming jurisdiction.

I believe that the essential difference between the substitute and the pending bill, Senate 1555, lies in the fact that under the pending Kennedy-Ervin bill the Board could permit States to assume jurisdiction, but only with respect to administrative agencies, and not the courts of the State. Actually the administrative agencies would become agents of the Board for the purpose of applying the provisions of the Taft-Hartley Act.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. Did the committee ascertain how many States have agencies which could function in that field? Are there any?

Mr. DIRKSEN. I think there are 12.

Mr. McCLELLAN. Twelve out of fifty States?

Mr. DIRKSEN. Yes.

Mr. McCLELLAN. So there are still some 38 States which could not obtain any relief at all under the pending bill.

Mr. DIRKSEN. That is correct; and that is the reason why this substitute provides that a case may go to any agency or any court of any State or Territory.

Mr. McCLELLAN. What is the Board required to do? What affirmative action is the Board required to take, so that we may know when jurisdiction goes to the States, and when the Board retains jurisdiction?

Mr. DIRKSEN. If the Board declines jurisdiction, the substitute provides that nothing in the law shall prevent any agency or any court in the State from assuming jurisdiction.

Mr. McCLELLAN. When a client seeks counsel from his attorney, how is the attorney to know whether the Board will accept or decline jurisdiction?

Mr. DIRKSEN. The Board can either make a specific finding in a specific case, or it can make a rule, above which it will assume jurisdiction, and below which it will not assume jurisdiction.

Mr. McCLELLAN. The determination is still left dangling. The amendment does not require the Board to act.

Mr. DIRKSEN. We leave it within the discretion of the Board.

Mr. McCLELLAN. That is what is wrong now. The Board can now take jurisdiction or not take jurisdiction, according to its discretion; and, in effect, we have a no man's land, in which there are grievous wrongs and no remedy under American jurisprudence as of this time.

Mr. DIRKSEN. I can only answer that by saying that if we try to apply a very rigid rule it will probably offer more difficulty than preserving the latitude which this language provides. The language of the substitute provides that the Board, in its discretion, may, by rule or otherwise, decline to assert jurisdiction over any labor dispute. So a legal representative would certainly be advised; and I think some latitude and flexibility is far more desirable than trying to apply an inflexible rule.

Mr. McCLELLAN. Let us assume that a labor dispute has just arisen. A client goes to his attorney and inquires about it. The attorney says, "I do not know whether the Board will assert jurisdiction or not. We will submit the case to the Board, and let the Board decide whether to take jurisdiction or not." Is that correct?

Mr. DIRKSEN. That is correct.

Mr. McCLELLAN. Does not the Senator think it would be better practice to require the Board to prescribe a rule containing criteria for the determination of the question as to whether or not it will take jurisdiction, so that every case would not have to come before it?

Mr. DIRKSEN. I think the answer is that the number of cases involved in which commerce is not actually burdened is so great that we might just as well leave the decision to the discretion of the Board, rather than to draw a line and say, "This is the dividing line."

Mr. McCLELLAN. The amendment is vague. A board with experience which this Board has had over the years the law has been in effect should be able to draw a line and say, "Beyond this line we are not going to take jurisdiction. We will leave it to the States."

I have an amendment which I shall propose if some other disposition is not made of the question. My amendment would require the Board to do exactly what I have described. Then, if there were doubt as to whether the Board would decline jurisdicition, by a general rule or by a specific rule, so that people might know in advance, a case could be submitted, and within 30 days the Board would have to pass upon it. Why cannot the Board make a rule at least defining a great area of these cases, so that everyone who has a grievance, or who has been wronged, will not have to go to the National Labor Relations Board in order to determine where his rights are and how to proceed?

Mr. DIRKSEN. I can see that point of view. This difficulty is easily cured, because if we say that the Board shall make a rule, instead of using the language of the substitute, which provides that the Board may make a rule, I think that meets the objection advanced by the distinguished Senator from Arkansas. I still am inclined toward the flexible side, because I believe the workload upon the Board today is such that the Board will issue a rule in due course to meet the volume of work with which it is confronted.

Mr. McCLELLAN. I suggest that the Board could lighten its workload to a great degree by making one rule to give guidance, instead of making a rule in every case that comes before it.

Mr. DIRKSEN. The Chairman of the Board was before us, and we heard a great deal of testimony. I was disposed to go along with the flexible proposal, rather than to write the word "shall" into the law.

Mr. McCLELLAN. I should like to vote for this amendment if I could not obtain approval of my own amendment, which I think is preferable. But I am in the position of considering this provision along with several other provisions, and I am not sure that I can vote for it. I think the substitute is a great deal better than what is in the bill. What is in the bill does absolutely nothing, and only confounds and confuses that which is more complex than man can understand.

Mr. DIRKSEN. I share the feeling of the distinguished Senator from Arkansas. I thought this provision was far preferable.

Mr. MUNDT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. I can confirm what the Senator from Illinois has stated. The language of the substitute seems to me to be a great improvement over what is in the bill.

I am inclined to the view of the Senator from Arkansas. I should like to see criteria established, and as many cases as possible settled by rule of law rather than by rule of men. Perhaps we cannot do it at this time, but I would prefer to see the law a little more specific, and not have so much discretion in the Board, primarily because of the workload the Board carries.

I believe the Senator will tell us as he goes along the differences between his amendment and title VI, which was just approved. Am I correct in saying that, with the exception of the section dealing with supervisors, everything contained in title VI is contained in the Senator's substitute, and that, in addition, he has made a few other proposed corrections?

Mr. DIRKSEN. The Senator is correct.

If Senators will bear with me, I am watching the clock. A group of witnesses are waiting in the committee room in the New Senate Office Building, and I promised to be there and hear them at half past 3. That is the reason why I tried to skeletonize these remarks.

As soon as the distinguished Senator from Arizona returns he will amplify every one of the items in the substitute now pending. If the distinguished Senator will bear with me until I dispose of the out-of-town witnesses, I should like to allude to the other items in the substitute.

Mr. MUNDT. A plea for brevity on the part of any Senator is so rare that I am delighted to yield.

Mr. DIRKSEN. I am very grateful to the Senator.

The first item deals with a vacancy in the office of General Counsel.

The second item in the substitute deals with the so-called no man's land cases.

The third item deals with the secondary boycott. We could be here for a long time discussing that subject. The boycott provision has been very carefully drawn. It is complete. I think it is adequately safeguarded. It has the approval of the Secretary of Labor. It represents the administration's viewpoint; and I think it is infinitely preferable to the inadequate provision carried in Senate bill 1555.

The fourth item deals with so-called recognition, organizational, or blackmail picketing. It is set forth on the bottom of page 61 of the substitute, S. 748. I believe it all properly set forth here. I believe all the safeguards are there. In addition, it is a picketing proposal with some teeth. I believe the great interest of the people of the country, over and above any other situation or proposal we could make with respect to the bill, relates to so-called organizational picketing.

Mr. MUNDT. Mr. President, does this section also have the approval of the Secretary of Labor and the administration?

Mr. DIRKSEN. It is the administration's bill and the administration's proposal.

The next part deals with prehiring agreements. I remember that 2 years ago, when Mr. Richard Gray, the head of the Carpenters Union, came to the reception room with the General Counsel of the Department of Labor, they presented to us a proposal on the so-called prehiring agreements in the construction industry.

They said, "This is what we want." I talked to them myself. I believe other Senators did likewise. What is carried in the substitute follows literally what we had agreed upon 2 years ago. Our proposal is superior to what is in the Kennedy bill, in the sense that there are safeguards contained in our proposal with respect to the prehiring agreements in the construction industry.

The first of these safeguards, of course, provides that there can be no strike to force employees. There has to be some bargaining history behind any kind of agreement such as that. It is not possible to subject a small number of employees to the pressures which are involved here. It carries out pretty well the understanding we had 2 years ago. With these safeguards, it is, in my judgment, far preferable to what has been reported by the committee.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. The safeguards to which the Senator refers are safeguards for the employees? Is that correct?

Mr. DIRKSEN. For the employees; yes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Will the Senator forbear for a moment? I shall be happy to yield to him later.

Mr. LAUSCHE. Certainly.

Mr. DIRKSEN. The next item deals with so-called economic strikers. This is the proposal which was sent to Congress by the administration 2 years ago. It received its impetus from the situation which developed in the O'Sullivan Heel Co. case in Winchester, Va. The strikers in that plant were replaced one by one by management. As a result, under the Taft-Hartley Act, they lost their right to vote in a bargaining or representation election.

My proposal would safeguard the right of workers to strike. Therefore the proposal is called the economic strikers' amendment. I offered this amendment on the floor of the Senate when the labor bill was before the Senate last year. There is a comparable proposal in the Kennedy-Ervin bill.

With the exception of the provision on page 65, dealing with elections befor hearings, where there is no substantial issue involved, these are the items in the substitute: First, to make provision for filling a vacancy in the office of the general counsel of NLRB, and to provide that the President can do that; second, to deal adequately with no man's land cases; third, to deal effectively with secondary boycotts; fourth, to deal with organizational picketing; fifth, to deal with so-called prehiring agreements in the construction industry, with further safeguards.

In substance and in essence that is the substitute which is presented to the Senate today.

Most of the items I have mentioned have had considerable attention in committee and have been discussed at length back and forth. Therefore I commend the substitute in place of title VI now

contained in the Kennedy bill. Title VI in the pending bill, in my humble and considered judgment, is inadequate to the purposes for which it was designed.

Mr. McCLELLAN and Mr. LAUSCHE addressed the Chair.

Mr. DIRKSEN. I shall yield first to the Senator from Arkansas, and then to the Senator from Ohio.

Mr. McCLELLAN. I have only one question. I believe the Senator has spoken of five or six items.

Mr. DIRKSEN. Actually, there are six items. One is of a minor character.

Mr. McCLELLAN. One is of a minor character, but altogether there are six items involved here.

Mr. DIRKSEN. That is correct.

Mr. McCLELLAN. I am inclined, in principle, to support some of the proposals advocated by the Senator from Illinois. However, certainly it would be easier for me to make up my mind and give favorable consideration to some of the proposals, and actually support some of the provisions, if they were submitted separately? When they are all put into one bundle, it is a different matter entirely. The Senator has said that the committee has given study to these matters. Some of us have not had the time or the opportunity to go into these points. The Senator may be satisfied. Nevertheless, it is very difficult to legislate in this important field by taking a whole package of proposals at one time. Some of them I would support in principle and would probably vote for. However, to know exactly what we are doing, I would appreciate it very much—and I know the Senator would get better consideration—if he could offer the amendments one at a time, and permit us to vote them up or down on the merits as each amendment is considered.

Mr. DIRKSEN. I should like to answer my distinguished friend from Arkansas in this way: I realize that there is a single-package approach and that there is a two-package approach to the bill. The theory of the Ervin amendment in connection with title VI was to strike out title VI and most of the references to the Taft-Hartley Act, in the hope that subsequently the Senate would consider another labor bill dealing essentially with amendments to the Taft-Hartley Act. Of course, all of that is conditioned on certain imponderables. First there would have to be a bill dealing with the items which engross our attention as amendments to the Taft-Hartley Act. Second, hearings would have to be held by a subcommittee. Third, the matter would have to go to the full committee. Fourth, a bill would have to be reported to the Senate for the calendar. Fifth, it would be necessary to get an order before the bill could be considered.

Mr. McCLELLAN. Mr. President, will the Senator yield on that point?

Mr. DIRKSEN. The longer I serve in the Senate the deeper my conviction becomes as to the unpredictability of the legislative future. There can be no assurance from my distinguished friend from Massachusetts [Mr. KENNEDY] that there will be a bill and that there will be hearings held by the subcommittee. There can be no assurance that a bill will be reported by the subcommittee to the full committee. There can be no assurance that it will be reported by the full committee. There can be no assurance that, if the bill were placed on the Senate Calendar, it would be possible to get an order for its consideration. Therefore any objection on the call of the calendar would stop the bill. I prefer, in the month of April 1959, when half the session is already over, to have an opportunity to vote on and to present the administration's viewpoint on secondary boycotts, on picketing, and on the other items which are presently covered by the substitute. I am not insensible of the fact that pinpointed amendments can sometimes get better attention than amendments put into one package, as we have in the substitute.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. I understand the situation. I know it is possible to offer amendments. The only thing I was saying was that I thought we could give better consideration to the amendments, if the Senator is sincere in wanting them adopted, if he were to present them one at a time on their merits, instead of lumping them together in one package. I do not know whether I could vote for all of them; but, I know that I could vote for some parts of the Senator's proposals if they were separated and I had the opportunity to pick out what is good in my judgment and eliminate the other parts.

The Senator said that the committee has studied these matters. The committee has studied the subject sufficiently to report title VI.

I see no reason why there should be the delay the Senator fears. We could go back to the committee and in 30 minutes return with title VI and could vote it up or down. There is no necessity at all for delay. I am sure that if the two leaders agreed, it could be done, and no one could stop it. It is as simple at that.

Mr. DIRKSEN. I must respectfully submit one modification of the statement made by the Senator from Arkansas. When he says the committee reported the bill, essentially that is correct. But the junior Senator from Illinois, who is on the committee, did not vote to report the bill; he voted "no" on that question. That is the reason why he is offering a substitute which he believes is far more adequate to solve the problems which confront the country today in the labor field.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Am I correct in my understanding that last year the administration in its bill recommended provisions which would deal, first, with blackmail picketing; second, with secondary boycotting; and third, with prehiring arrangements in the building and construction industry?

Mr. DIRKSEN. Yes; either last year or the year before, or even the year before that, because it is necessary to go back and pick up the stitches to ascertain all the recommendations which the President has made to Congress from time to time—to get the whole package of recommendations which were made in every one of those fields.

Mr. LAUSCHE. Are the recommendations made by the President and the Secretary of Labor contained in the amendment offered by the Senator from Illinois?

Mr. DIRKSEN. Yes; title V, S. 748. It has been called the administration bill. It was the other major bill in addition to S. 505, introduced by the distinguished Senator from Massachusetts [Mr. KENNEDY]. It was later, however, that we had before us the bill introduced by the distinguished Senator from Arkansas [Mr. McCLELLAN].

I may say, simply to make certain that the record is complete, that the bill proposed by the Senator from Arkansas was introduced after the subcommittee hearings were over. We recognized that we were running into an impasse. So I think it was generally agreed in the subcommittee that, first at last, we might just as well act in the full commitee to consider these amendments.

I thought the distinguished Senator from Arkansas [Mr. McCLELLAN], who has done such a capital job as chairman of the Rackets Investigating Committee, was entitled to be heard, even though the hearings had been closed. So one afternoon he had abundant opportunity to present his case. This was true also of the distinguished Senator from South Dakota [Mr. MUNDT] and the distinguished Senator from Nebraska [Mr. CURTIS].

So at long last, before the committee concluded its deliberations on the bill, all those Senators had the opportunity to present the matters which they wanted to have considered in connection with the bill.

Mr. LAUSCHE. Am I correct in understanding that the bill recommended by the committee rejected the administration's request for a law to deal with blackmail picketing, and secondary boycotts, but that it accepted the President's recommendation on prehiring agreements in the building crafts work, though it diluted that recommendation by eliminating from it the proviso that a union and a contractor might enter into a collective bargaining agreement without the consent of the workers, provided there had been a previous history between the contractor and the union, and provided also that if the workers believed that the union was not representing them, the workers had the right to appeal to the Labor Board?

Mr. DIRKSEN. The distinguished Senator from Ohio is so apt in choosing the right word. When he said those proposals in the pending bill were diluted, he was quite right. I think in a word that expresses the whole business pretty well.

Mr. LAUSCHE. In my opinion, the three recommendations made by the

President were vital. The first, prohibiting blackmail picketing, and the second, prohibiting secondary boycotts, were rejected outright. The third recommendation of importance, dealing with prehiring agreements, was accepted, but was diluted to the point where the protection of the liberty of the worker was completely eliminated by the abrogation of the proviso that only when there is a previous history between the union and the contractor may the pre-hiring agreement be made.

Mr. DIRKSEN. The distinguished Senator from Ohio presents the case pretty well.

Mr. LAUSCHE. I think he presents it very well. [Laughter.]

Mr. DIRKSEN. Mr. President, I desire to yield the floor and to return to the wars later, as soon as I have concluded with the witnesses at a hearing concerning two judgeships for the State of Illinois.

SUSPENSION OF ATMOSPHERIC NUCLEAR TESTS

Mr. CASE of South Dakota. Mr. President, on the basis of a memorandum circulated by the U.S.S.R. group at the spring council meeting of the Interparliamentary Union at Nice, France, the week after Easter, Premier Khrushchev should accept the proposal made by President Eisenhower to take a "first step" on the suspension of nuclear weapons tests in the atmosphere.

As one of the delegates named by the Senate, it was my privilege to attend the council meeting of the Interparliamentary Union.

I have in my hand a memorandum which was circulated by the Soviet group at the committee meeting on the reduction of armaments. In the memorandum, the Soviet Union asserted its desire for a radical solution of the disarmament problem, but maintained that their efforts to reach a comprehensive agreement have invariably come up against a barrier of reservations and objections on the part of the United States, British, and other governments which are parties to military coalitions, such as NATO, SEATO, or the Baghdad Pact. After making that statement, the U.S.S.R. memorandum says:

> Under those circumstances, the way out of the situation would be to solve the disarmament problem gradually, step by step, beginning with the more pressing issues.

Having said that, and having proposed a step-by-step solution, taking up the most pressing issue first, the Soviet memorandum then went on to discuss the cessation of atomic and hydrogen weapons tests as the most important initial step.

In their presentation in this 9-page memorandum, the U.S.S.R. reflected either a misunderstanding or a misinterpretation of the United States-United Kingdom position. It seemed for a time that this statement had a certain propaganda effect, for the representatives of some of the smaller countries were impressed, perhaps, by the claim of the U.S.S.R. memorandum that we were imposing demands concerning control over the implementation which, in effect, would be a system of espionage. The language of the memorandum is that the United States and Britain are also putting forward such demands concerning control over the implementation of a treaty on the discontinuance of tests as are clearly unacceptable to the Soviet Union.

Here is the sentence in which the U.S.S.R. completely misrepresented the position of the United States and the United Kingdom:

> The Western Powers want detection posts to be staffed exclusively with foreign personnel. They want to bring about a situation in which the control committee to which these posts are to be subordinated can be a mechanical majority of votes cast by Western representatives—a virtual veto—impose decisions affecting the security of the Soviet Union. To meet those claims would mean for the Soviet Union to agree to the establishment on its soil of a full-fledged intelligence network of the Western Powers.

Mr. President, that was so clearly a misstatement of the United Kingdom-United States position that I undertook to answer it in detail. At the committee meeting with me was Dr. Walter Stoessel, Jr., of the U.S. Embassy in Paris. I asked Dr. Stoessel to give me a memorandum which provided our precise position with respect to the control posts; and I quoted in detail from it, to show that actually the United States and the United Kingdom have not asked that the detection posts be staffed exclusively with foreign personnel, but, on the contrary, that the proposal called for a control team of three parts. One part would be composed of technicians and supervisors who would be from the two countries of the three nuclear powers that did not include the country that was under inspection or under control—that is to say, in the U.S.S.R., the first one-third of the supervisory technicians would be composed of nationals of the United States and the United Kingdom. If, on the other hand, the control posts were in the United Kingdom, then the first one-third would be composed of nationals of the United States and the U.S.S.R.; and if the control team were in the United States, the first one-third of the control team would be supplied by the United Kingdom and the U.S.S.R.

The second one-third in each case would be an international group not representative of any of the three nuclear powers, but, rather, composed of representatives selected by the countries which were without nuclear capability.

The final one-third of the control teams would be composed of nationals of the host country. They would be the service personnel; and in that case it was thought by the United States and by the United Kingdom's representatives at Geneva satisfactory to use nationals of the host country which was under inspection.

So I tried to make clear that that was the actual position of the United Kingdom and the United States; namely, that we wanted the detection posts to be staffed exclusively with foreign personnel—and not as stated by the U.S.S.R. The latter interpretation was not the correct one. On the contrary, I pointed out that the system of inspection proposed by the U.S.S.R. would have amounted to self-inspection—inspection by teams composed of nationals of the country under inspection, so to speak. Obviously, that would not be satisfactory and would not be a guarantee of proper control. I think I made the point sufficiently clear, because my argument on that point was not rebutted by the Russian delegate or by the Polish delegate who spoke subsequently.

The second misrepresentation or source of confusion as a result of the Soviet memorandum at that Interparliamentary Union meeting was created by the Soviet memorandum statement that—

> The Western Powers insist on suspending nuclear weapon tests only for 1 year. The suspension of tests for so brief a period is needed for a study of the results of the explosions already carried out and for the preparation of a new series of tests. That is why the Soviet Government considers the Western Powers' proposal for the suspension of nuclear tests for 1 year unacceptable.

I had to point out, Mr. President, that there, again, was a misunderstanding or misinterpretation of the position of the United States and the United Kingdom. The Soviets were trying to make capital of their claim that they wanted to put an end forever to nuclear tests. I reminded them that at the outset of their memorandum they had said the way out of the situation would be to solve the disarmament problem gradually, step by step. So I pointed out that in proposing a 1-year suspension, we were taking that logical, step-by-step approach; and that in proposing the suspension for 1 year, it was as a means of getting something started. I also pointed out that that was not intended to provide a period for study of the results of the explosions and for the preparation of a new series of tests, but, rather, that it was in order that we might see whether or not effective controls were actually provided.

Again, it was in order to refer to some documentary material. The Interparliamentary Union maintains a permanently staffed Bureau, which had prepared, for the consideration of the delegates to the Council meeting, a résumé by the Interparliamentary Union's Bureau, there was a quotation from the August 22 statement of the British and American Governments in terms of the United Kingdom's note that we would—

> be prepared to refrain from nuclear tests for successive periods of 1 year, provided satisfactory progress was made toward the installation of effective systems of international control.

So, again, we sought to clear away the confusion which had been created by the Soviet memorandum, and to make clear that what the United States and the United Kingdom were seeking to accomplish was a step-by-step suspension of nuclear tests, and a step-by-step ap-

proach to the entire problem of reduction of armaments.

I have reason to believe that that effort met with favorable results. The comment on my remarks at the committee meeting that afternoon was commendatory. We met in a subcommittee session that evening, and drafted a resolution which, on the following morning, was unanimously adopted for referral back to the Council, and, in turn, to the conference of the Interparliamentary Union which is to be held at Warsaw next September. The draft of that resolution was based upon a revision of one submitted by the British group and another one submitted by the Polish group.

At this time, I wish to read the draft resolution which is to be submitted by the drafting committee to the committee on reduction of armaments. It reads as follows:

INTERPARLIAMENTARY UNION, NICE, MARCH 31 TO APRIL 5, 1959—GENERAL AND REGIONAL MEASURES WHICH COULD CONTRIBUTE TOWARD A SOLUTION OF THE DISARMAMENT PROBLEM

The 48th Interparliamentary Conference,

Conscious of the urgent need to put a halt to the armaments race and motivated by a sincere desire to preserve world peace and work together to achieve comprehensive disarmament by progressive stages;

Considering the disastrous economic, social, and political consequences of the armaments race and the urgent need therefore to pursue the objective of comprehensive disarmament through the prohibition of international agreements of the manufacture and use of all nuclear and other weapons of mass destruction, and the gradual reduction of Armed Forces and conventional armaments;

Recognizing that such an agreement must ultimately depend on the willingness of all nations to accept a fully effective system of international inspection and control,

Urges that efforts to reach a general disarmament agreement be continued;

Calls for acceleration in the progress already achieved to this end during the negotiations at Geneva for a treaty to end nuclear weapons tests under proper control;

Notes with approval the agreement recently expressed by the heads of the Soviet and United Kingdom Governments that, in conjunction with necessary progress toward a satisfactory overall political settlement, further study could usefully be made of the possibilities of increasing security by some method of limitation of forces and weapons, both conventional and nuclear, in an agreed area of Europe;

Expresses satisfaction at the prospect of early discussion and negotiation on these vital questions at the Foreign Ministers' level, later to be followed by a meeting of the heads of governments.

That is section A of the draft resolution as it was worked out by the drafting committee of the Subcommittee on Reduction of Armaments at the council meeting in Nice from March 31 to April 5, 1959.

There was also a section B, to which I shall invite special attention. Before doing so, however, I wish to say a few words of comment about section A. In the paragraph referring to progress on overall political settlements, it was my suggestion that the word "necessary" be inserted before the word "progress." That suggestion met with favor by the several delegates, and was agreed to. I suggested the word "necessary" in order that the resolution might be consistent with the position the United States was taking—that there should be some necessary progress at the foreign ministers level before a meeting was held by the heads of government.

I am pleased to say that the delegates at the IPU council meeting agreed to the inclusion of the word "necessary" before the word "progress," so the implication would be that there would have to be necessary progress at the preliminary meetings before the summit meetings of the heads of government.

Part B of the resolution as submitted to the council for further reference to the conference deals with the beneficial use of outer space for peaceful purposes. The American delegation to the Nice council took with it a draft of a resolution prepared by staff members of the Senate Committee on Aeronautical and Space Sciences. The draft as presented was somewhat longer than was appropriate to the format of the draft resolutions being used by the IPU, but the draft committee adopted the major purpose and major provision of the resolution which we took from the Senate Committee on Aeronautical and Space Sciences. It reads as follows:

The 48th Inter-Parliamentary Conference,

Recognizing that the new dimension of outer space can be used for peaceful purposes for the benefit of all mankind or for military weapons more destructive than any man has ever known,

Conscious that the first space activities developed under the aegis of the International Geophysical Year are an outstanding example of international cooperation among the scientists of 66 nations,

Urges that national groups of the Inter-Parliamentary Union should direct efforts within their parliaments conducive to the settlement of international problems of outer space in the context of general disarmament and the development of potential outer space benefits for humanity.

The acceptance by the drafting committee of this resolution, which was the proposal of the U.S. group, is a noteworthy step forward, it seems to me. At the time the atomic bomb and the hydrogen bomb were first developed, if the nations could have agreed that the use of nuclear materials would be devoted to the benefit of humanity for constructive purposes, the history of the past several years might have been somewhat different.

I personally suggest that the Senate and the House of Representatives of the Congress of the United States should not lose sight of the fact that the IPU meeting in Warsaw in September will be considering this resolution, which was proposed by the U.S. group and which provides that the potential outer space benefits be developed for humanity, and that the first space activities developed under the aegis of the International Geophysical Year be regarded as an outstanding example of international cooperation, and thereby provide a suggestion as to how we might proceed in considering the problems which will arise.

In concluding my remarks before the armaments committee, I pointed out that our proposals were definitely in keeping with the Soviet statement that the way to proceed or to progress was to solve a problem gradually, step by step, beginning with the more pressing issues.

So today I would say to Premier Khrushchev that President Eisenhower's letter of April 13 is in harmony with the idea of a step-by-step approach. On that basis, the Premier should accept the proposal made in the President's letter.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to compliment the Senator from South Dakota on his statement, and also to compliment him and the members of the committee who recently conferred in Nice and who probably will confer at the Interparliamentary Union meeting to be held in Warsaw this year.

I wish to call the attention of my colleagues in the Senate to the fact that here lies one of the greatest potential organizations—one in which the United States has participated for many years—for the solution, not only of worldwide problems in connection with peace, but of many problems which daily beset us in that area.

I hope every Member of the Senate will read the remarks of the Senator from South Dakota, and particularly the recommendation made by our delegates at Nice.

Mr. CASE of South Dakota. I deeply appreciate the kind remarks of the Senator from Colorado.

SMALL COMPANIES ENGAGED IN STEEL PRODUCTION

Mr. ALLOTT. Mr. President, it was with great interest that I read, in the March 20 edition of the American Metal Market, that nearly half the companies engaged in the steel industry are comparatively small businesses. The table of figures accompanying this thorough article gives an excellent picture of our American steel industry, and depicts the surprisingly large part played by smaller firms.

Too often we are led to believe that the steel industry is a field for giants only. There is no doubt of the tremendous importance of the large steel firms in shaping the course of our economic stream. But it should not be overlooked that 40 percent of the companies which comprise the steel industry are actually companies having less than 100,000 tons annual ingot capacity.

Mr. President, I ask unanimous consent that portions of a highly informative article by Freeman Bishop be printed in the RECORD at this point in my remarks.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

SMALL FIRMS HAVE BIG PLACE IN STEEL COMPANY RANKING

NEW YORK, March 19.—Steel, popularly regarded as an industry of giants, is actually

composed 40 percent of companies having each less than 100,000 tons annual ingot capacity. Another 35 percent of the companies have between 100,000 and 1 million tons of yearly capacity, while 20 companies, or less than 25 percent of the 82 ingot producers, have each in excess of 1 million tons annual capacity.

These significant facts are revealed today in the American Metal Market's annual ranking of steel producers according to size of their tonnages. The table appears on page 12.

SMALL BUSINESS

In addition to the 82 companies whose ingot capacities are reported by the American Iron and Steel Institute, about 180 steel companies are nonintegrated—produce no steel in molten form but buy semifinished forms, such as billets, skelp, wire rods or hot rolled strip in coils, to run down into finished products. Most of these 180 also would rank as small business. If these 180 are added to the 33 small producers (less than 100,000 tons each) it becomes evident that three-quarters of the total of about 260 steel companies in the United States would be classified as small.

THREE NEW PRODUCERS

Of the 33 small ingot producers, 13 are new since World War II while three are new ingot producers within the past year. Some of the oldest and best known tool and specialty steel companies are included in the ranks of these small tonnage producers. In sales dollars they would probably rank higher.

Although these 33 companies, many of which do not produce in a year the equivalent steel tonnage contained in one ordinary office building, make up 40 percent of the number of ingot producers, their aggregate capacity is a shade less than 1 percent of the industry's total. What they lack in avoirdupois is counterbalanced by the strategic importance of their specialties, which occupy an important place in the American economy. It is significant that they have a high rate of survival.

Nearly all of the companies in the 33 group are equipped with electric furnaces only. Quite a few of them are located away from large steel centers.

MIDDLE HAS VARIETY

The middle group of 29 companies, 35.4 percent of the ingot producers by number, accounts for 7.9 percent of total steel capacity. Running all the way from a trifle over 100,000 tons annual capacity to just a little short of 1 million, these companies are of a great variety in the nature of equipment and products. Four of them are integrated, being producers of pig iron as well as steel, though the characteristic of the group is semi-integration, with a mixture of open hearth, and electric furnaces. Some of the best-known names in alloy steel are in this group, although a number also are primarily producers of carbon steel.

Rank and growth of steel companies

[Compiled by American Metal Market. Capacities of steel-producing furnaces in thousands of net tons as reported by American Iron & Steel Institute]

Standing in 1959		1958 [1]	Furnace types	Jan. 1, 1945	Jan. 1, 1958	Jan. 1, 1959	Post-war percent gain
1	United States Steel Corp	------	A	32,307.0	40,212.0	41,916.0	29.7
2	Bethlehem Steel Corp	------	A	12,900.0	23,000.0	23,000.0	78.3
3	Republic Steel Corp	------	A	9,791.0	12,242.0	12,742.0	30.1
4	Jones & Laughlin Steel Corp	------	A [2]	5,194.0	7,500.0	8,000.0	54.0
5	National Steel Corp	------	C	3,900.0	6,800.0	7,000.0	79.4
6	Youngstown Sheet & Tube Co	------	B	4,002.0	6,500.0	6,750.0	68.6
7	Inland Steel Co	(8)	B	3,400.0	5,800.0	6,500.0	91.2
8	Armco Steel (including National Supply)	(7)	D	3,432.0	6,396.2	6,400.0	86.4
9	Kaiser Steel Corp	(14)	B [2]	750.0	1,536.0	2,933.0	291.0
10	Colorado Fuel & Iron Corp	(9)	B	1,705.0	2,836.5	2,836.5	66.3
11	Wheeling Steel Corp	(10)	C	1,960.0	2,400.0	2,400.0	22.4
12	McLouth Steel Corp [3]	(13)	F [3]	(4)	1,574.0	2,040.0	------
13	Ford Motor Co	(12)	D	967.4	1,898.6	1,898.6	96.2
14	Sharon Steel Co	(11)	D	636.0	1,989.0	1,861.0	192.6
15	Pittsburgh Steel Corp	(17)	B	1,072.0	1,416.0	1,560.0	45.5
16	Detroit Steel Corp. [5]	(15)	B	(4)	1,500.0	1,500.0	------
17	Granite City Steel Co	(18)	B	703.2	1,200.0	1,440.0	104.7
18	Crucible Steel Co. of America	(16)	D	1,507.7	1,424.5	1,431.2	−5.1
19	International Harvester Co	------	B	900.0	1,200.0	1,200.0	33.3
20	Acme Steel Co	(28)	H [2]	413.1	608.0	1,059.8	156.5
21	Lukens Steel Co	(24)	H	624.0	750.0	930.0	49.0
22	Allegheny Ludlum Steel Corp	(21)	H	460.4	864.2	864.2	87.8
23	Barium Steel Corp	(20)	D	567.4	846.8	846.8	40.9
24	Northwestern Steel & Wire Co	(22)	E	321.0	825.0	825.0	157.0
25	Alan Wood Steel Co	(23)	B	550.0	800.0	800.0	45.4
26	Lone Star Steel Co	(27)	B	§	660.0	800.0	------
27	Timken Roller Bearing Co	(25)	E	547.2	700.0	700.0	27.9
28	Copperweld Steel Co	(26)	E	321.4	660.0	660.0	105.3
29	Laclede Steel Co	------	G	326.0	600.0	600.0	81.0
30	Universal-Cyclops (Empire Reeves)	------	H	402.6	570.2	577.4	43.4
31	Keystone Steel & Wire Co	------	G	302.4	450.0	475.0	57.0
32	Continental Steel Corp	------	G	364.0	420.0	420.0	15.3
33	Atlantic Steel Co	------	H	154.0	400.0	400.0	159.7
34	Erie Forge & Steel Corp	------	H	129.0	234.0	284.0	120.1
35	H. K. Porter Co	(39)	E	94.6	208.6	234.6	148.0
36	Babcock & Wilcox Co	(35)	E	50.4	229.5	229.5	355.3
37	Jessop Steel Co. (including Green River)	(36)	E	50.0	218.9	218.9	337.8
38	Pacific States Steel Corp	(37)	G	88.8	216.0	216.0	143.2
39	Heppenstall Co	(38)	H	562.0	213.3	213.3	−62.1
40	Baldwin-Lima-Hamilton Corp	------	H	170.0	188.7	188.7	11.0
41	Carpenter Steel Co. [3]	(42)	E	263.2	170.6	171.5	−34.9
42	Mesta Machine Co	(41)	H	105.0	171.0	171.0	62.8
43	Oregon Steel Mills	(44)	E	60.0	150.0	150.0	150.0
44	Louis Berkman Co. [6] (Ohio River)	(45)	B	126.0	136.1	136.1	8.2
45	Texas Steel Co	(46)	E	22.3	132.4	132.4	493.7
46	Edgewater Steel Co	(47)	G	140.2	117.6	117.6	−16.4
47	Alco Products Co	(48)	H	181.0	104.5	108.6	−40.0
48	Isaacson Iron Works	(49)	E	104.4	102.0	102.0	−2.3
49	Harrisburg Steel Co. (Harsco)	(50)	G	100.8	100.8	100.8	0
50	Washburn Wire Co	(51)	G	60.0	93.0	93.0	55.0
51	A. M. Byers Co. [7]	(52)	E	150.0	90.0	90.0	−40.0
52	Merritt-Chapman & Scott Corp. [8]	(53)	F	(4)	90.0	90.0	93.2
53	R. G. Le Tourneau, Inc	(54)	E	(4)	90.0	90.0	------
54	Industrial Forge & Steel, Inc	------	G	50.0	84.0	84.0	68.0
55	Eastern Stainless Steel Corp	------	E	(4)	80.0	80.0	------
56	Judson Steel Corp	------	G	76.5	76.5	76.5	0
57	Southern Electric Steel Co	(58)	E	(4)	66.0	66.0	------
58	Borg-Warner Corp	(43)	E	24.0	164.0	64.0	166.6
59	Western Rolling Mills Division	------	E	(4)	----------	60.0	------
60	Cameron Iron Works, Inc	(59)	E	(4)	58.8	58.8	------
61	Northwest Steel Rolling Mills	(60)	E	32.4	53.0	53.0	63.5
62	Southwest Steel Rolling Mills	------	E	(4)	45.0	45.0	------
63	Mississippi Steel Corp	------	E	(4)	45.0	45.0	------
64	Florida Steel Corp	------	E	(4)	----------	43.0	------
65	Vanadium-Alloys Steel Co. [9]	(64)	E	18.9	42.0	42.0	122.2
66	Knoxville Iron Co	(65)	E	38.0	38.0	38.0	0
67	Joslyn Manufacturing and Supply Co	(66)	E	37.5	37.5	37.5	0
68	Kilby Steel Co	(67)	E	74.4	34.0	34.0	−54.3
69	A. Finkl & Sons, Inc	(68)	E	(4)	33.6	33.6	------
70	Wickwire Bros	(69)	E	38.0	32.2	32.4	½14.7
71	National Forge & Ordnance Co	------	E	25.0	25.0	25.0	0
72	Union Electric Steel Corp	(70)	E	25.2	25.0	25.0	−0.7
73	Roanoke Electric Steel Corp	(72)	E	(4)	25.0	25.0	------
74	Latrobe Steel Co	(73)	E	12.0	24.0	24.0	100.0
75	Simonds Saw & Steel Co	------	E	21.6	21.6	21.6	0
76	American Compressed Steel Corp	(74)	E	(4)	21.6	21.6	------
77	Braeburn Alloy Steel Corp	(76)	E	20.7	20.7	20.7	0
78	Firth Sterling, Inc	(77)	E	17.5	20.0	20.0	14.3
79	Cabot Shops, Inc	------	E	12.0	14.5	16.2	35.0
80	Pencoyd Steel & Forge Corp	------	E	(4)	----------	15.6	------
81	Newport News Shipbuilding	(78)	E	7.5	15.0	15.0	100.0
82	Columbia Tool Steel Co	(80)	E	6.6	6.6	6.6	0
	Total	------		95,505.3	140,742.6	147,633.6	54.4

Symbols — Types of furnaces operated by each company

A Blast furnace, open hearth, Bessemer, electric.
B Blast furnace, open hearth.
C Blast furnace, open hearth, Bessemer.
D Blast furnace, open hearth, electric.
E Electric only.
F Blast furnace and electric.
G Open hearth only.
H Open hearth and electric.

[1] Where changes in rank occurred this year, 1958 rank is shown in parenthesis.
[2] Oxygen converters in addition to other kinds.
[3] Carpenter Steel acquired control of Northeastern Steel in 1957, reducing latter's capacity to 84,000 tons in electric furnaces; latter as Stanley Works in 1945 had 188,300 tons capacity (included above in Carpenter, 1945).
[4] Companies not producing ingot steel in 1945.
[5] Detroit Steel not an ingot producer in 1945; its plant at Portsmouth, Ohio, with 1945 capacity of 616,000 tons was then included in Wheeling Steel Corp.
[6] Berkman plant in 1945 was part of Follansbee Steel.
[7] Byers in addition to steel, produces mainly wrought iron.
[8] Now Milton Steel Products only.
[9] Includes Colonial Steel.

NOTE.—The 1945 total above includes a practically negligible tonnage of capacity in companies no longer active as steel producers. Where companies have combined since 1945, combined capacity of constituent units is generally shown for 1945.

Changes in 1958: Armco now includes National Supply, whose capacity is included with Armco for all years above; Empire Steel acquired by Universal-Cyclops and combined capacity shown for all years; Industrial Forge was spun off from Barium Steel and capacities adjusted for all years in both.

New in 1959 list: Florida Steel; Pencoyd Steel & Forge; and Western Rolling Mills division of Yuba Consolidated Industries, Inc.

DANGERS OF INFLATION—WORK OF SENATOR KEFAUVER AND SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

Mr. CARROLL. Mr. President, for almost 2 years the able and courageous senior Senator from Tennessee [Mr. KEFAUVER] has carried on a one-man campaign as chairman of the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary to inform and alert the Nation to the danger of inflation and the steady rise in the cost of living.

Not only freshman Members of Congress, but all of us, can profit by the splendid example set by the patient, intelligent, searching investigation conducted by the Senator from Tennessee in this complex economic field.

As a member of the Antimonopoly Subcommittee, I heartily endorse the comments of Milton Britten on this subject. Mr. Britten's keen understanding and penetrating analysis should be read by all of us.

As in the Dixon-Yates case, the determination and devotion of the Senator from Tennessee scores again in the public interest. The people of Tennessee must be proud of such an illustrious son.

Mr. President, I ask unanimous consent to have printed in the RECORD the very excellent article written by Milton Britten.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS IN DIXON-YATES CASE, KEFAUVER BEGINS TO WIN FRIENDS ON STEEL ISSUE

(By Milton Britten)

WASHINGTON.—Senator ESTES KEFAUVER could write a good "How To —" book for freshmen Members of Congress on a subject that offers real challenge.

The subject: "How to get public support on an issue so murky and complex that it has no apparent popular appeal."

From personal experience KEFAUVER could include in this book a chapter on how, once you've got some public support, you can even get your opponents on your side.

He did it most notably in the Dixon-Yates case, a knotty, involved contract between the Government and a utilities combine to introduce private power into the TVA area.

Before he got through probing this contract the term "Dixon-Yates" was a Republican liability and the contract was repudiated by the very administration that made it.

He seems about to do it again. A Kefauver campaign that started 2 years ago as little more than a whisper will head toward a roaring climax here April 22.

That's when labor and management leaders of the steel industry will be among witnesses testifying before Kefauver's Antimonopoly Subcommittee on a pending bill that would require big industry to give prior notice of price increases.

But it's inevitable that KEFAUVER and his colleagues will grill steel's management-labor chiefs about what KEFAUVER, almost singlehandedly, built into a national issue—the inflationary dangers of a steel price boost.

MODEST START IN 1957

KEFAUVER got started on his campaign in July 1957, right after the steel companies announced a $6 a ton price boost. When he opened his "administered price" hearings, few except economists knew what administered prices were, let alone their impact on the economy.

There was plenty of elbowroom at the press table as administered prices were identified for the record as those established by the managers of big, concentrated industries, like steel, rather than by laws of supply and demand in the marketplace.

KEFAUVER called in the Nation's top economists, labor and management representatives of the steel and auto industries. He seldom got a big press out of the hearings. The vast majority of his Republican Senate colleagues greeted his inquiries with a hush. The ranking Republican committeeman, Senator EVERETT DIRKSEN of Illinois was consistently critical.

DAILY SPEECH IN SENATE

Last summer, with the threat of another steel price boost KEFAUVER really turned the heat on. From June 13 to July 1, rumored date of the price increase, he spoke daily in the Senate of the threat to the American consumer of a steel price boost. The price of everything from bobby pins to baby buggies would go up, he warned.

He wired and wrote the President three times, urging Ike to call a White House conference of labor-management leaders in steel and use his influence to hold the wage-price line in this key industry. Ike declined. But KEFAUVER was gaining support from a number of Democratic Senators for his fight. And the press began carrying more extensive reports on the problem.

The steel industry, ignoring Ike's plea for labor-management statemanship, soon thereafter increased prices $4.50 a ton. KEFAUVER, noting that this would cost direct buyers of steel $285 million and the ultimate consumers many times that amount, called new hearings.

GETS COLD SHOULDERS, BUT—

With the coming of the new Congress he proposed that the industry hold the price line. Labor, he proposed, should gear any wage increase demands to increases in productivity. Management ignored the suggestion, Dave MacDonald, the steelworkers' chief, told him to mind his own business.

KEFAUVER retorted this was the public's business. The press coverage was substantial. President Eisenhower in his last news conference warned the industry that its forthcoming negotiations must be handled "in such a way that the price is not compelled to go up."

Senator ALEXANDER WILEY, Republican, of Wisconsin, a member of KEFAUVER'S subcommittee, made a floor speech taking KEFAUVER'S tack that "if the consumer pays the increase, it is part of his business." His remarks were broadcast in a press release by the Republican Policy Committee, suggesting that KEFAUVER now is to get substantial support from the other side of the aisle.

The industry's 3-year contract with the steelworkers ends in June. The industry has credited past price boosts with increased wage demands, which the union disputes. The outcome of new negotiations is now of lively bipartisan concern.

KEFAUVER'S formula of lots of digging, patience and persistence, has focused wide public attention on administered prices in steel and the danger of an increase. It's likely that there'll be less elbowroom at the press tables April 22 than there was when ESTES first started his inquiry 2 years ago.

ADDRESS BY CHESTER BOWLES—WILL FOREIGN POLICY BE DECISIVE IN 1960?

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator from Minnesota.

Mr. McCARTHY. Last week the Minnesota Democratic-Farmer-Labor Party held its annual Jefferson-Jackson Day dinner. We were privileged to have as our principal speaker the distinguished Member of Congress from Connecticut, the Honorable CHESTER BOWLES.

Representative BOWLES, our former Ambassador to India, spoke of the great need for a creative foreign policy.

I ask unanimous consent that the address delivered by him be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WILL FOREIGN POLICY BE DECISIVE IN 1960?

(Speech by Hon. CHESTER BOWLES, of Connecticut, at Jefferson-Jackson Day dinner, Minnesota Democratic-Farmer-Labor Party, Minneapolis, Minn., April 18, 1959)

Governor Freeman, Senator Humphrey, Senator McCarthy, my fellow Democrats of Minnesota, ladies and gentlemen: Every spring about this time we Democrats pause to pay homage to Jefferson and Jackson.

And where is our great liberal tradition more vigorously reflected in belief and action than on the home ground of the Democratic-Farmer-Labor Party of Minnesota?

Where else in the country today can you find such a rich mine of dedicated enthusiasm, intellectual vigor, political success, and solid meaningful accomplishment as your wonderful Democratic-Farmer-Labor Party has produced in Hubert Humphrey, Eugene McCarthy, and Orville Freeman?

Such an abundance of talents is rarely bestowed on a single political party in a single generation in a single American State. You Minnesotans are thrice blessed, and so is the country, because of you.

LOOKING TO 1960

Whatever happens and whoever wins in 1960, there are few qualified observers who would not agree on one thing: What this country needs most is not a good 5-cent cigar, nor even a good $10 golf lesson, but a new creativeness in the conduct of our affairs both at home and abroad.

I suppose from the earliest days of our political history successive generations have soberly described the coming national election as the most important ever held. This time, I am deeply convinced, we can say it and prove it.

Consider how our world has been turned upside down in the last 14 years.

In the background, casting a pall over all that we say and do, is the danger of a nuclear war. Technology presses relentlessly toward the development and dispersal of new weapons of terror, with the danger of miscalculation and accident increasing day by day.

To intensify the world's state of nerves, new brink-of-war crises erupt with each season of the year—Suez and Quemoy, Lebanon and now Berlin.

In the meantime, a billion and a half people in Asia, Africa, and Latin America are striving impatiently to create new societies or to reaffirm old ones.

Their task has been made all the more complex by new technical developments in agriculture, public health, engineering, and communications which have created new hopes and expectations in remote villages everywhere on earth, and created them far faster than they can be satisfied.

Thus the contrast continues to grow between the rich, prosperous Western nations and the world's three underdeveloped continents where 70 percent of mankind now live. The explosiveness of this contrast is underscored by the fact that the richer

West is largely white and the poorer Asians, Africans, and Latin Americans are largely colored.

Thrusting powerfully toward the center of the world stage is the Soviet Union with an economy that is now expanding nearly three times as fast as ours and with more than double our output of technical and professional men.

Certainly no generation of Americans ever faced a challenge of such sweep and magnitude.

Yet most of us are hardly aware of its dimensions, let alone of its implications. Indeed, the Eisenhower administration often acts as if the challenge itself would quietly go away if only we could learn to be more patient.

The result has been a massive negativism in foreign affairs which has positioned us in situation after situation as grim-faced supporters of the status quo. Thus the initiative today lies in the Kremlin.

CAN DEMOCRATS MEASURE UP?

What about us Democrats? Can we as a party lay honest claim to greater sense of direction? Do the American people understand what our position is?

As we Democrats look toward the election in 1960, we see much to bolster our political confidence. Many of us have been persuaded that continuing unemployment, low farm income, high interest rates, lack of administration concern for schools and housing, will in themselves assure the election of a Democratic President.

But in all honesty and with all personal respect, I must challenge the view of those who believe we can afford as a party to ignore the continued dangerous drift in world affairs.

If the present situation persists, I believe that there is an odds-on chance that the Democrats will again organize the Congress in January 1961. But I also believe that we may inaugurate another Republican President on the Capitol steps.

As I see it, the election in 1960 of another Democratic Congress and another Republican President would be disastrous. It would mean four and probably eight more years of divided government, and that is not the way our American Government is supposed to work.

I have the highest personal regard and admiration for the Democratic leaders of the present Congress who have conducted themselves so ably and responsibly under the most trying of circumstances. But we simply cannot afford, for another Presidential term, a continuation of our present hyphenated national responsibility with the inevitable political buck-passing which flows from it.

With even the most competent and patriotic leadership, a government so completely checked and so tightly balanced will continue to find it difficult if not impossible to provide the sharp, clear, and bold policies that are now required of us.

FOREIGN POLICY ISSUE

Let me explain why I believe our continued failure as a party to think through the fundamental questions involving America's relations with the world may cost us the White House in 1960.

Basically I think that the American people look on the election of a Congress and a President in quite different ways. When we cast our vote for a Senator or a Congressman it is usually the questions that most directly affect social security, wages, prices, employment, and profits which presumably carry the greatest weight.

When we choose a President to direct American policy in this troubled, difficult world, it is quite another matter.

Indeed, in four of the last five presidential elections, foreign policy has played a dominant role.

This role may not have been fully reflected in the campaign oratory. But deep in the subconscious and unspoken attitudes of the voters, I believe that it was the overriding issue of war and peace that largely determined their selection.

Let us look briefly at the record:

In 1940 F.D.R. faced the handicap of the anti-third term tradition. His opponent was far and away the most appealing candidate that the Republican Party had nominated since 1916. Had 1940 been a normal election year, there was an excellent chance that Roosevelt would have lost and Willkie would have won.

Instead, in the spring of 1940, the eyes of American voters were suddenly focused upon the Nazi conquest of France and the imminent threat to Britain. The need for continued, vigorous, experienced American leadership to preserve freedom in the world became obvious, and the voters acted accordingly.

The election of 1944 was again dominated by President Roosevelt's wartime leadership and his imaginative initiative for peace.

In 1948, such domestic issues as high prices, lack of housing and farm problems were the overriding issues in President Truman's sensational reelection bid.

But few would deny, least of all Mr. Truman, himself, that his election received an important assist from his remarkable foreign policy achievements: the Truman doctrine, the Marshall Plan, and the formulation of NATO.

In 1952, an appealing Republican newcomer to the political scene was in a position to capitalize on his experience in a wide variety of foreign assignments. The Eisenhower foreign policy image proved to be an effective one, especially when bolstered by spurious public relations appeals such as "I shall go to Korea" and "the Democrats get us into wars; the Republicans get us out of them."

In 1956, President Eisenhower was presented as the patient negotiator at the Geneva summit meeting, the sturdy wartime leader whose energies were now devoted to peace. This image appeared so formidable that many Democrats more or less surrendered the foreign policy arguments to the Republicans without challenge.

PEOPLE DOUBLY WORRIED NOW

Today, the dangers of the cold war impasse are even more in people's minds than they were then. Thus I believe that a decisive number of American voters in 1960 will again support the candidate who, according to their informed or intuitive judgment, best understands what must be done to prevent a nuclear catastrophe.

I am convinced, therefore, that unless the Democratic Party not only picks the right candidate but affirmatively identifies itself with a more positive and creative approach to world problems, we will fail once again to elect a President.

In spite of the outspoken and imaginative foreign policy proposals of such individuals as Bill Fulbright, Adlai Stevenson, Hubert Humphrey, Jack Kennedy, Mike Mansfield, Stuart Symington, and a few others, I sense a deep public uneasiness over the absence of an identifiable, predictable, realistic Democratic Party approach to the major issues of foreign affairs.

If I am correct, and if we cannot reverse the situation, this uneasiness may decisively undercut the efforts of our Presidential candidate no matter how personally qualified on foreign affairs he himself may be.

Of course I will be reminded by many of my Democratic colleagues that only the executive branch of our Government can create and conduct foreign policy. That is true.

Yet rightly or wrongly, the voters are going to expect from us in the opposition party much clearer signals in the foreign policy field than we are now giving them.

FOREIGN POLICY IS COMPLEX

Why is it that over the last 6 years we Democrats have made disturbingly little progress in developing a constructive and reasonably cohesive party position in foreign affairs?

I believe that there are a variety of reasons. Let me suggest a few:

1. Many of our party managers remain convinced that most people are not interested in anything but the bread and butter issues of their daily lives.

They may be right when they say that this explains the election of Democratic Congresses in the last three congressional elections. But Presidential ballots are almost certain to be marked on broader grounds.

2. There is the natural fear of dividing our party ranks on intricate foreign policy questions. We all know that there are differences of opinion inside the Democratic Party and that recognition of these differences tends to neutralize our internal foreign policy discussions.

3. There are practical difficulties in responsibly fulfilling the role of a loyal opposition on foreign policy matters without undermining an administration which must make the final decisions.

Thus, when no particular crisis has been at hand, most Democrats have been inclined to take the line of least resistance and leave foreign policy questions to the administration, the editorial writers, and the TV and radio commentators.

4. Many Democratic Party spokesmen, inside and outside public office, have become deeply aware of the complexity of foreign policy, and this inclines them to shy away from it.

Thus, when the Quemoy crisis hit the headlines, many Democratic Congressmen felt instinctively that the administration's position was at best weak and at worst dangerously wrong.

When they said so, they were castigated as appeasers ready to run away from Communists under fire. When they switched uncertainly to support the administration's policy, they were challenged with equal vigor by others who demanded: "Then this means that you are ready to invite a nuclear war over two rocky islands off the China coast that no one has ever heard of?"

This persuaded many Democrats that the safest issues were the homespun ones such as highways, housing, and social security. Here, at least, they felt themselves to be on safe and familiar political ground.

5. Recently, the very stagnation of our economy has impelled many Democrats in Washington to wonder if we may not have to sacrifice doing the right things abroad because the administration will not let us do the right things at home.

CONGRESSIONAL DEMOCRATS FRUSTRATED

Threatened Presidential vetoes of the very legislation on which many of us were elected last fall—extended unemployment benefits, school and hospital construction, area redevelopment, urban renewal, higher farm income, small business legislation, and all the rest—leads to congressional frustration and uncertainty.

Thus many Democrats in Congress are tempted to take out on the foreign-aid program their pent-up disappointments over domestic legislation. The result is an unbecoming flirtation with isolationism which is beginning to affect some of the ablest and most respected leaders in our party.

Last month the Democratic-controlled House Appropriations Committee voted to kill essential economic development abroad. Right now many observers believe we will be

lucky to get a clear Democratic majority in Congress for an adequate mutual security bill.

Our frustrations are both human and understandable. But their political implications, I submit, are serious.

We are faced with the belief of many Democrats that the easiest course is to leave the perplexing problems of foreign policy to the Republicans until we are back in power. If we as a party pursue this inclination much further, it may keep us from returning to power.

Our predicament becomes even clearer when we realize that the two most likely Republican Presidential candidates have already established themselves as men of considerable interest and vision in foreign policy. Both, obviously, recognize its political importance and intend to make it the primary basis for their appeal in 1960.

In July Mr. NIXON will be off to Moscow. Will Mr. Rockefeller be far behind?

Thus, the election of a Democratic President in 1960 may hinge on our ability between now and our convention in July 1960 to create a more positive and persuasive image of our party's approach to foreign policy. As we move to meet this challenge, we have two major advantages.

TWO DEMOCRATIC ADVANTAGES

First, on the great world issues of the day, I believe that 80 percent of our party, nearly 100 percent of the independent floating vote, and even a substantial percentage of Republicans are now ready to respond to imaginative foreign policy leadership.

Second, in the creation of foreign policy, the Democratic Party has the unique advantage of an incomparable liberal heritage which is readily understandable throughout the world.

The impact which the Democratic Party stamped on the history of the last century and a half has grown from its role as a party of the people.

In our years of greatness we have been true to that image, and the people of America and the people of the world have responded.

Jefferson never forgot that his own strength, and the only possible foundation for his country's lasting strength, lay with and among the people.

He knew that for a time the people might be fooled and misled. He knew that political lapses and detours were inevitable. But he had supreme faith in the ability of people to affect their own destiny.

His election in 1800 meant that democracy was henceforth to be the basis of American life. His opponents failed to understand this at the time, and that was the chief measure of difference between them and him.

Jefferson clearly recognized this difference. "Men are naturally divided into two parties," he said. "One, those who fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes. Two, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and safe depositary of the public interest."

It was the Democratic Party, concluded Jefferson, that was to stand for equal rights for all and special privileges for none.

Consider the burning concern for the interests of the people contained in Jackson's veto message on the U.S. bank bill:

"When laws make the rich richer * * * the humbler members of society—the farmers, mechanics, and laborers who have neither the time nor the means of securing like favors to themselves—have the right to complain of the injustice of their Government."

Jacksonian Democracy made certain that the "humbler members of society" would always find their home in the Democratic Party as long as that party remained true to its traditions.

For generations, these homely but powerful sentiments have remained the chief measure of difference between America's two great parties. And today that difference has become of supreme importance in the relative ability of the two parties to formulate and conduct American foreign policy.

"All eyes are opening to the rights of man," Jefferson asserted 2 weeks before his death. "The light of science has already laid open to every view the palpable truth that the mass of mankind have not been born with saddles on their backs, nor a favored few booted and spurred, ready to ride them."

"The American Revolution," he added, "was intended for all mankind."

Much of the world is now swept up in this revolution. The Burmese delegate to the U.N. put the Jeffersonian proposition quite precisely in a speech in New York earlier this month.

"The West likes to think and speak of the Atlantic community as the heart of the free world," he said, "but to most of the earth's population it seems less the free world than just the rich world. What is more disturbing from the point of view of the West is that all the current trends show it becoming a smaller and smaller minority getting relatively richer and richer.

"The prosperous Atlantic countries today are in a position resembling that of the aristocrats of Europe at the close of the 18th century," the Burmese delegate continued. "They had served a useful purpose, but new and powerful classes were swelling up below them.

"Some aristocrats, like the French, met the challenge head on, and perished. Some, like the British, found they had much in common with their rivals and so survived, first as leaders and later as equal partners."

WHERE WE NOW STAND

Now let us look at the world in this perspective.

At this midpoint in the 20th century, America, the oldest practicing democracy in the world, has become an aristocrat among nations. Our enormous comparative wealth has increasingly separated us from mankind and now threatens to blind us to the hopes and objectives of more than half the human race.

Can we reasonably expect a Republican administration—even if it were led by a genuine liberal such as Nelson Rockefeller—to reverse this situation?

Republican politicians have never really understood the aspirations, fears, and frustrations of the people of Detroit, Pittsburgh, or Minneapolis. How, then, can they be expected to understand those of the people who live in New Delhi, Tokyo, or Accra?

How can Republican planners, satisfied with our present slow-paced progress, appreciate the explosive impatience of Asian, African, and Latin American leaders attempting to ride a revolutionary wave?

How can a Republican administration, which seeks to hamstring TVA and which cannot find room in its budget for adequate unemployment compensation, schools, housing, and city planning, come to grips with the urgent development problems of the underdeveloped world?

How can the ideological descendants of those who denounced Jefferson and Jackson as radicals in their lifetimes, reach out with sympathy and understanding to the new leaders of Asia, Africa, and Latin America who know that the enduring liberal principles of Jefferson and Jackson are now the only alternatives to communism?

It is this total lack of orientation, this failure to understand that people and ideas are the primary forces that shape history, which explains the administration's blind negativism in East Asia, its lack of understanding of the importance of South Asia, its utter failure in the Middle East, its confusion in Africa and Latin America, and its wavering course of action in Europe.

The Republican Party as it now exists is an unlikely instrument for the task of forging the worldwide democratic counterrevolution which is so urgently needed.

What then about us Democrats?

What approach can we support as a party that will enable America to move out of its present defensive and negative rut?

Expressed in political terms, how can we give the voters a sense of confidence and trust in our capacity to lead America and the world responsibly and imaginatively toward peace?

Clearly our role is not simply one of opposition. We must not be drawn into reckless criticism.

But neither should we continue to be pressured or wooed into an ineffective me-too-ism.

As Senator FULBRIGHT recently said: "Bipartisanship, in theory an instrument of national unity, has in practice often been used as a gag on legitimate discussion. * * *

"Time and time again," he continued, "we have found ourselves in situations where the administration, after carefully consulting itself, has announced a policy. Whereupon the cry goes out that right or wrong it cannot be debated, since this would show the world that we are divided."

In 1950 Senator Vandenberg himself said: "Every foreign policy question must be totally debated * * * and the loyal opposition has a special obligation to see that this occurs."

When the administration is wrong, we Democrats should say so, and offer sober, realistic alternatives. When the administration is right, we should offer our support generously and wholeheartedly.

RESPECT FOR PEOPLE

Our built-in advantage as Democrats lies, as we have seen, in our greater understanding of and respect for people as individuals, wherever they may be, and regardless of their race, their creed, or their color.

Our liberal heritage gives us not only the necessary framework but provides us with a sense of direction. It also gives us an effective yardstick with which to measure day-to-day policies against long-term global objectives.

Those objectives must be clearly, unequivocally and persuasively stated and restated: A world at peace, with increasing national self-determination, economic growth, and social dignity for all men everywhere.

Every thoughtful man knows that the present peace by terror cannot last indefinitely. If there is to be a real peace, we must find the means to break loose from the sterile and infinitely dangerous impasse into which the cold war has forced us.

Unhappily, however, the cold war will not disappear for the asking. It was created by Soviet pressures for world domination. It can be eased only as these pressures are eased and diverted.

What kinds of policies from us are most likely to help accomplish this result?

WHAT WE CAN DO

As long as the Soviet Union refuses to negotiate a disarmament agreement with meaningful safeguards, a powerful American military apparatus is essential. Indeed, it may be necessary further to bolster our defenses if we are to convince the Soviet Union that it cannot win the arms race.

But we must recognize military power for what it is: An essential barrier to direct Communist aggression. For the long haul the most important question is what we do or fail to do behind that barrier.

In order to achieve its objective of world dominance, the Kremlin must first split the 600 million skilled, highly industrialized part of the West. This means separating America from Europe.

The most direct approach to this objective is a frontal threat to European security, relying in the last analysis on Soviet military might. We now see this tactic at work again in the Berlin crisis.

But there is a second Soviet tactic which the administration has failed adequately to take into account.

Lenin once said that the road to Paris lies through Peiping and Calcutta. He believed that if communism could secure control of even an important fraction of the Asian and African raw materials on which heavily industrialized Europe depends, America could be isolated and eventually brought to terms.

Khrushchev is now pursuing both of these tactics simultaneously with great skill and determination and with a steadily increasing supply of capital and technicians for export to the underdeveloped continents.

In dealing with this challenge, our historic Democratic Party dedication to human dignity—our concern for man—can provide us with a useful guide to action.

It will warn us, for instance, against trading the status quo in Berlin for the status quo in Poland, Hungary, and Czechoslovakia. If such a deal is presented to us in the coming months as an "American diplomatic victory," let us recognize it for what it is—no more or no less than an expedient, naked sellout of the 120 million people of Eastern Europe.

It will lead us to insist on more sensitive and better trained representatives in our far-flung foreign operation—representatives who will spend more time in the villages and less on the diplomatic cocktail circuit.

It will cause us to press for information programs that reflect the true America, with both its strength and imperfections which we are struggling to correct—instead of the synthetic, unreal, perfectionized image we have so often arrogantly presented to the world.

It will lead us to suggest an expanded and improved economic aid program; not to buy allies or even solely to stop communism, but because we believe in man's right to live and prosper under governments of his own choosing; that is all men, not simply Europeans and Americans.

It will enable us to see the critical importance of an adequate military defense to protect our freedom and to insist that we get that defense. But it will never allow us to forget that our enduring objective is to help create societies worthy of freedom.

It will encourage us to persevere in any negotiations with the Soviet Union at any level that offers the slightest hope for a relaxation of the arms race, but to insist hardheadedly on effective inspection safeguards.

It will lead us to place a higher value on person-to-person contacts in all parts of the world, because we know that individual Americans are best able to explain to others what America is all about and thereby to give the lie to Communist propaganda.

It will make us forego arrogant, patronizing talk of America as a self-appointed leader of the free world, because we know that in a truly free world leadership cannot be imposed or bought, and that our efforts to assume it create resentment.

It will encourage us to look on our agricultural plenty as one of America's greatest assets, and to propose imaginative new techniques that will enable us to distribute a major part of it each year to an undernourished world, not to purchase subservience, but in the interests of peace and brotherhood.

It will serve to remind us that we, ourselves, were born in revolution and that those who now seek to discard colonial rule, ready or unready for self-government as they may be, are walking in our footsteps.

It will underscore the fact that in our strivings for national security, democratic America seeks not satellites but partners.

HOPE FOR PEACE

I deeply believe that out of such convictions and actions, rooted as they are in an understanding and respect for our fellowmen, a revitalized Democratic Party can create a new basis for America's relations with mankind.

I believe that we can bring America into direct, creative communication with the great movements which are sweeping Asia, Africa, and Latin America; movements that are impatient of the past, eager for the future, opposed to any ideology which denies the dignity of man; yet confused, frustrated, and looking for political shortcuts.

Many Democratic leaders are already speaking out as Jefferson and Jackson would have us do, and none more earnestly, more thoughtfully, or more persuasively than your own HUBERT HUMPHREY.

But others hold back, wondering about our proper tactics, uncertain of our real objectives and hopeful that administration errors and valid domestic political appeals will suffice to pull our party through.

I emphasize that these other appeals are valid. In nothing I have said do I mean to imply that the broad domestic issues with which our party is identified should in any way be subordinated or neglected.

I am merely insisting that alone they are not enough, and that to rely on them exclusively for a Democratic White House victory in 1960, is wishful thinking.

May I add that it is also profoundly unworthy of the party of Jefferson and Jackson.

America's progress from decade to decade has never been reflected by a steadily rising curve. Rather it has come in a series of bold forward surges interspersed by periods of apathy, inaction, and breath catching.

Invariably when the time has come to move forward again, it has been Democratic Party leaders from Jefferson to Truman who have caught the vision, set the goals, blown the bugles, and led the charge.

In the 1930's the Democratic Party, under Franklin Roosevelt, carried America to a new peak of greatness. In dealing with the threat to postwar Europe, we responded again.

Since 1953 a Republican administration at a great crisis point in history has been content to protect past gains and to preserve wherever it can a status quo which most of mankind no longer considers adequate.

Now we Democrats face our historically familiar responsibility: To reassess America's objectives in the framework of a new challenge, and to refocus our liberal traditions on a world that offers infinitely greater possibilities than anything our fathers knew.

Jefferson believed that the American Revolution was intended for all mankind. Let us hope that in January 1961 a Democratic President and a Democratic Congress will have earned the opportunity to prove that he was right.

REPLY TO ATTACKS ON MICHIGAN

Mr. McNAMARA. Mr. President, my distinguished colleague, the junior Senator from Michigan [Mr. HART], recently addressed the Women's National Democratic Club. The subject of his address was the falsity of the attack that has been waged against the State of Michigan.

This speech summarized the myths that have arisen about the present economic and political climate in Michigan, and presented a systematic, documented reply to each of these distorted charges. I ask unanimous consent that my colleague's remarks be printed in the RECORD.

NOTES FROM REMARKS BY SENATOR PHILIP A. HART, OF MICHIGAN, AT MICHIGAN-WISCONSIN LUNCHEON, WOMEN'S NATIONAL DEMOCRATIC CLUB, WASHINGTON, D.C., APRIL 16, 1959

The following are some of the myths and facts about political exchanges in the State of Michigan that have attracted nationwide attention.

Senator PHILIP A. HART said in presenting this summation: "Let no one mistake this for another chapter in an old debate about who hit what.

"The truth is that all of the people of Michigan hope that this book is now ended. My comments today have the sole purpose of pointing up what efforts designed to achieve short-term political advantage can do to the long-term political interests of a State.

"Here are some myths about Michigan that have been made prominent, and some independent evaluation of the facts:

"The myth (from the U.S. News & World Report article 'A Welfare State Runs Into Trouble,' Feb. 13, 1959): 'All these problems have combined to add to the State's financial worries. New business enterprises are slow to come to Michigan.'

"The fact (Ann Arbor News, Mar. 5, 1959): 'Consumers Power Co. said it will spend $117,800,000 this year as part of a $575 million gas and electric service expansion program over the next 5 years.

" 'Other expansion projects of Ford Motor Co. and Michigan Consolidated Gas Co. call for the expenditure of $69 million this year. Also announced was an expansion program in the Muskegon area by Brunswick-Balke-Collender which will add 600 workers.

" 'Ford is going to spend $35 million improving its steel manufacturing plant in Dearborn. The program is expected to extend into 1962.'

"The myth (U.S. News & World Report, February 13, 1959): One reason frequently cited by some businessmen for this decline in jobs is that the State has an unfavorable climate for attracting and holding private business and industry. All through the State government, businessmen say, they run into an attitude of hostility."

"The fact (Detroit Times, March 23, 1959): If Michigan has lost its dynamic aggressiveness—if Michigan's economic glories are all of the past and none lie ahead, someone should tell the big three of the automobile world which has invested in excess of $3½ billion in Michigan facilities since 1950."

"The myth (from the Republican National Committee publication Battleline, an article entitled 'The Welfare State Hits Bottom,' March 4, 1959, picks up much of the same material used in the U.S. News & World Report article): 'With the the political backing and guidance of Walter Reuther, Williams has jumped the State's overall annual spending from about $500 million to over $1 billion. And budget balancing has been scrapped in favor of more and more deficit spending.

" 'The result of these disastrous economic policies, which some Democrats would adopt for the Federal Government, has been fiscal catastrophe. Michigan, one of the

wealthiest of States, has a State government which is stone cold broke.'

"The fact: Commenting on this charge which first appeared in the U.S. News & World Report article, the Detroit Times, March 22, 1959, said:

" 'Then look a few pages farther back in the same issue of the same publication.

" 'Without reference to Michigan it discloses that State spending—for all States—now totals more than five times as much as it did in 1946.

" 'And it says: "Put your finger anywhere on a map of the United States, and odds are that you'll find a State in serious financial difficulty'."

"The myth (Senator DIRKSEN, April 8, 1959, CONGRESSIONAL RECORD): "I am advised, Mr. President, that the favorite beverage nowadays in some of the better emporiums in Michigan is a delightful little concoction known as Michigan on the rocks."

"The fact: The most recent comparative figures for State spending and debt have just been released by the U.S. Department of Commerce. This report shows that Mr. DIRKSEN's State ranks 13th highest in the Nation and that Michigan follows behind after 10 other States (24th). It shows further that Illinois, like nearly half the other States, is considerably above the national average with a net long-term per capita debt of $277.09, while Michigan's per capita average is only $220.24. The national average for the States is $274.45.

"The myth (Chicago Tribune, February 25, 1959): "He (Williams) wants a personal income tax, a corporation tax, a tax on financial institutions and an increase in the State's constitutional debt limit."

"The fact: Robert P. Briggs, executive vice president of the Michigan Consumers Power Co. (Jackson, Mich., Citizen-Patriot, April 4, 1959) had this to say about the present tax system:

" 'He said that * * * he was shocked at how regressive the present tax structure is.

" 'Persons with income between $2,000 and $3,000 pay 12 cents State and local tax on the dollar * * * while those in the $7,000 to $12,000 bracket pay 6 cents on the dollar.

" 'A sales tax would only magnify this problem.'

"The myth: Secretary of the Interior, Fred Seaton, at Gettysburg, Pa., on April 3, 1959, said:

" 'What has really happened in Michigan is that for to long the present was allowed to cannibalize the future.'

"The fact (Detroit Times, March 23, 1959): 'Michigan's population is growing faster than any other State's except California and Florida * * * Michigan contributes more of its tax revenues to higher education than any other State in the Union, a point that must appeal to new settlers in the State.'

"The myth: Senator BARRY GOLDWATER in a Lincoln Day speech at Saginaw, Mich., on February 9, 1959, said:

" 'What is wrong with this State is not economic, it is political. * * *

" 'It is because the Democrat Party in your State is a shell—merely a label—taken over by a special interest. That special interest is the United Automobile Workers. And I am not referring to the rank-and-file union members. I am referirng to a few politically ambitious union leaders, men with a Socialist background. * * *

" 'His is the hidden hand behind the policies in the State of Michigan which have brought this great industrial State to its knees, on the verge of bankruptcy.

" 'The stranglehold of the labor politicians on the State of Michigan is a well-known fact to businessmen across the country.'

"The fact ('The Commentator,' an article by W. K. Kelsey in the Detroit News, February 11, 1959): 'Everybody familiar with the history of Michigan during the past decade knows that the hidden hand of Mr. Reuther and the stranglehold of the labor politicians have not controlled six Republican legislatures, which with the connivance of stupid voters, have brought Michigan to its present condition of silly impotence.

" 'Williams was first elected Governor in 1948. At the same time the people chose a legislature whose senate consisted of 9 Democrats and 23 Republicans, and whose house stood 39 Democrats to 61 Republicans.

" 'The tale was repeated in 1950, except that the Democratic Governor had the backing of only 7 Democrats in the senate and 34 in the house. Again in 1952 the Democrats had little to say; they gained one senator but no representatives.

" 'Is anyone silly enough to believe that in those 6 years, when both houses were firmly held by the Republicans, Governor Williams and Walter Reuther had their way with the legislature? If they did, theirs was one of the most remarkable conjuring tricks in all history.'

"The myth (Battle Line, Republican National Committee, March 4, 1959, 'The Welfare State Hits Bottom'): 'Any American confused over who is right—the President or his free-spending critics—can resolve the issue by studying Michigan which has been run the past 10 years by Gov. G. Mennen Williams as a sort of model ADA–UAW State.'

"The fact: Commenting on the fact that the No. 1 indictment of Michigan is that it is a welfare state, the Detroit Times, March 22, 1959, assembled these interesting facts of what is being spent by State and local governments in various States for institutional and noninstitutional aid for the needy:

" 'Welfare costs each Michigan citizen $16.30.

" 'It costs each Ohio citizen $17.71.

" 'In Arkansas—where some businessmen dream of finding respite from the welfare state, it was $19.17. * * *

" 'In California—where they are so shocked over Michigan's plight—the welfare costs for each citizen is $29.19.

" 'And in Oklahoma it is $47.73.'

"The myth: Again, in the Saginaw Lincoln Day speech by Senator BARRY GOLDWATER, February 9, 1959:

" 'We have seen that the Michigan predicament is very real and that there is a widespread conviction in the rest of the country that Michigan is no longer a good place in which to expand or to enter with a new manufacturing business.'

"The fact: The U.S. Department of Commerce, September 1958, in a brochure entitled 'Area Development Bulletin' measures variations in industrial growth by States on the basis of value added by manufacture, 1947–56.

"The average value added in all States was 88 percent.

"Value added in Michigan was 106 percent. Only one other northern industrial State was higher than Michigan, and that was Ohio, with 108 percent.

"The myth (Fred A. Seaton, Secretary of Interior, Gettysburg, April 3, 1959): 'In Michigan, a political force under a professedly liberal banner has for a decade avoided the hard realities of the management of the State's finances and relied heavily on deficit financing. As a result, the Governor of Michigan is presently known far and wide as a dealer in deficits.'

"The fact: 33 days after assuming office, the Governor of Michigan sent to the Republican-controlled legislature on February 2, 1949, a tax message calling for tax levies to close the gap between expenditures and revenues.

"It is a fact that over the period of Governor Williams' incumbency, the Republican legislature has appropriated 99 percent of the requested expenditures by the Governor, but it has failed to heed his continuing call to close the revenue gap in tax messages of March 15, 1950; March 9, 1951; January 10, 1952; February 10, 1953; January 27, 1955; February 7, 1956; February 22, 1957; and January 21, 1958."

Mr. McNAMARA. Mr. President, one of the most repeated charges that has been leveled at Michigan in recent months is that the present State administration, allegedly under the sinister hand of some labor leaders, has turned Michigan into a so-called welfare state. It may well be that there are such States in this Nation. I would assume that one could classify such States on the basis of what they spend for government.

I now ask unanimous consent that the table to which I now refer be inserted at the conclusion of my remarks. It is a table prepared by the Congressional Quarterly, from figures gathered by the Census Bureau, and was printed in the April 19, 1959, issue of the Washington Post and Times Herald. The table sets forth what the several States and the District of Columbia spend, per capita, for government.

I hope that all of my colleagues will read this table with the same interest as I did. A careful reading might serve, at least, to give some pause to those who have attacked Michigan as a welfare state.

They might note, as I did, that Michigan stands 15th among the States in per capita governmental expenditure. They might note that Arizona stands 12th, for instance, and I am sure that no elecer representative of the people of Arizona would care to have his State characterized as a welfare state. The same holds true for the elected officials of the other 13 States which stand ahead of Michigan in per capita governmental expenditure.

If the per capita State expenditure for all government is not conclusive evidence as to what kind of government is now enjoyed in Michigan, let me cite the rank of Michigan in per capita expenditure for public welfare. This figure, perhaps better than any other, should indicate which States can be classified as welfare states.

The table indicates that Michigan stands 34th in the Nation. Again, I am sure that the Representatives of Arizona, which stands 23d, would not want to be classified as Representatives of a welfare state, nor would the Representatives of the 32 other States which outrank Michigan.

Mr. President, it is time that these truths about Michigan replaced the lies and slanders that irresponsible persons have cast against my State.

One newspaper that has done a remarkable job in setting forth the truth is the Detroit Times, which recently published a series of articles entitled "The Real Truth About Michigan."

I commend these articles to all of my colleagues who have found themselves wittingly or unwittingly repeating these falsehoods. All the articles can be found in recent issues of the CONGRESSIONAL RECORD.

The Detroit Times, however, has continued its public service to the people of Michigan by summarizing the articles in a full-page advertisement.

This advertisement appeared in Monday's New York Times, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table and articles presented by Senator MCNAMARA were ordered to be printed in the RECORD, as follows:

What the States spend per capita

State	Per capita amounts [1]							State rank according to per capita amount of—						
	All general expenditure	Expenditure for selected functions						All general expenditure	Expenditure for selected functions					
		Education, total [2]	State institutions of higher education	Local schools	Highways	Public welfare	Health and hospitals		Education, total [2]	State institutions of higher education	Local schools	Highways	Public welfare	Health and hospitals
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Continental United States	$237.35	$83.00	$11.50	$69.60	$45.79	$19.94	$18.80	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Median State	236.81	80.87	12.08	66.12	50.00	17.71	16.03	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Alabama	178.06	56.32	9.12	45.07	43.48	23.04	11.01	42	45	34	46	33	8	44
Arizona	272.98	114.39	22.27	88.42	50.33	17.81	12.00	12	3	7	3	24	23	41
Arkansas	147.56	52.32	10.73	39.78	34.19	19.17	10.34	49	47	26	49	42	18	46
California	321.20	119.39	19.16	98.22	46.48	29.19	24.02	4	2	12	1	29	7	7
Colorado	281.07	102.42	24.22	75.88	53.82	44.51	16.95	9	9	2	13	20	3	22
Connecticut	324.63	94.39	8.22	82.21	106.69	17.51	22.99	3	14	40	6	1	27	10
Delaware	243.42	97.20	14.47	75.74	52.52	12.94	17.35	21	12	22	14	22	43	19
District of Columbia	225.82	47.34	(3)	47.34	19.31	14.21	35.75	31	49	(3)	45	49	41	1
Florida	235.95	71.02	9.81	58.56	48.73	16.69	19.44	27	33	30	35	26	32	13
Georgia	185.86	68.23	7.62	58.15	31.44	20.62	19.27	41	36	43	36	46	16	15
Idaho	233.27	81.62	13.69	65.93	59.88	17.17	16.03	28	24	23	26	13	29	25
Illinois	227.73	78.01	9.51	67.51	43.88	16.32	17.75	30	30	33	21	31	33	17
Indiana	206.75	89.58	22.28	66.12	37.26	11.91	16.37	35	17	5	25	39	46	23
Iowa	236.05	91.94	18.16	71.60	65.41	21.09	14.09	26	15	15	18	11	13	34
Kansas	272.79	91.51	17.14	72.94	82.40	22.32	17.21	13	16	18	16	4	9	20
Kentucky	154.18	55.55	7.88	42.09	34.12	16.97	9.93	47	46	42	47	43	31	47
Louisiana	276.55	86.49	14.70	67.15	50.00	45.82	16.26	11	20	21	22	25	2	24
Maine	209.66	64.07	8.55	52.76	57.85	19.10	13.33	33	41	36	41	15	19	37
Maryland	240.35	78.08	9.55	67.11	55.40	9.52	20.12	24	29	32	23	17	48	12
Massachusetts	292.39	70.41	3.24	65.37	61.46	31.13	30.57	6	35	48	27	12	4	4
Michigan	262.81	105.71	24.73	79.45	47.34	16.30	24.12	15	5	1	11	28	34	6
Minnesota	256.70	100.63	18.75	80.63	53.45	21.34	23.45	17	11	14	9	21	12	8
Mississippi	151.84	51.31	8.25	40.07	38.85	17.69	10.61	48	48	39	48	36	26	45
Missouri	196.78	65.82	6.32	58.58	38.23	30.00	14.26	38	39	44	34	38	6	31
Montana	281.73	101.34	20.13	79.01	79.02	20.81	13.07	8	10	8	12	5	15	38
Nebraska	202.39	78.24	15.07	60.79	51.20	13.50	14.13	37	28	20	33	23	42	33
Nevada	367.71	95.13	18.15	74.97	89.14	15.26	31.07	1	13	16	15	3	38	3
New Hampshire	242.87	72.32	12.39	56.45	73.57	16.28	23.42	22	32	24	38	9	36	9
New Jersey	236.81	78.82	6.17	71.68	38.71	10.15	18.91	25	27	45	17	37	47	16
New Mexico	278.37	109.46	23.52	82.15	66.65	20.25	17.18	10	4	3	7	10	17	21
New York	296.05	88.85	3.51	83.90	38.97	22.04	32.30	5	18	47	5	35	10	2
North Carolina	161.79	65.35	9.68	54.27	33.85	12.00	12.73	44	40	31	40	44	45	39
North Dakota	258.67	82.13	18.82	61.44	73.77	16.27	13.58	16	23	13	32	8	37	36
Ohio	222.91	80.87	8.87	71.13	45.76	17.71	14.92	32	25	35	19	30	24	28
Oklahoma	248.57	88.49	19.83	67.08	54.00	46.37	11.69	19	19	9	24	19	1	42
Oregon	271.69	105.36	19.27	83.91	58.00	18.76	15.94	14	6	11	4	14	20	26
Pennsylvania	196.48	70.74	4.62	62.79	32.55	14.22	14.89	39	34	46	31	45	40	29
Rhode Island	209.16	60.92	7.89	49.75	36.42	21.74	17.65	34	43	41	43	40	11	18
South Carolina	154.82	67.16	8.31	57.22	25.33	12.61	14.16	45	38	38	37	48	44	32
South Dakota	244.69	85.38	18.00	65.33	78.84	16.30	8.06	20	22	17	28	6	35	49
Tennessee	163.70	58.90	8.37	48.98	35.29	14.72	14.60	43	44	37	44	41	39	30
Texas	203.81	80.51	10.53	69.11	43.86	17.05	11.36	36	26	28	20	32	30	43
Utah	232.40	105.05	22.51	79.94	41.17	18.45	12.62	29	7	4	10	34	22	40
Vermont	249.22	85.45	17.01	64.21	74.66	21.04	15.39	18	21	19	30	7	14	27
Virginia	187.22	67.96	10.40	55.39	47.73	6.77	13.82	40	37	29	39	27	49	35
Washington	286.20	102.90	19.33	81.97	57.25	30.36	22.57	7	8	10	8	16	5	11
West Virginia	154.81	63.27	10.61	51.24	30.11	17.71	9.18	46	42	27	42	47	25	48
Wisconsin	242.83	78.00	11.77	64.27	54.07	18.49	19.39	23	31	25	29	18	21	14
Wyoming	328.49	119.87	22.28	94.41	92.80	17.33	24.98	2	1	6	2	2	28	5

[1] Computation based on estimated population as of July 1, 1957.
[2] Including amounts for "Other education," not shown separately.
[3] Not applicable.

In our awesome contemplation of the $77 billion Federal budget, we are likely to overlook the fact that State and local governments now cost more than $50 billion a year. The above chart showing State spending on a per capita basis was prepared by Congressional Quarterly from Census Bureau figures for the fiscal year 1957, ending June 30, 1957, the latest full-year figures available. It shows, for instance, that Nevada spent the most per citizen ($367) and Arkansas the least ($147); that California spent the most for schools ($98 per capita) and Arkansas the least ($39); that Connecticut spent the most for highways ($106) and South Carolina the least ($25); that Oklahoma spent the most for such public welfare as aid to the poor and blind ($46) and Virginia the least ($6); that New York spent the most for hospitals and other health services ($32) and South Dakota the least ($8).

THE REAL TRUTH ABOUT MICHIGAN

First, let us say this.

We are very, very fond of the State of Michigan. The entire State. Its forests. Its lakes. Its rivers. Its wildlife. Its farmlands. Its industry. Its people.

When we hear too many negative comments about it—and, in recent months, there have been plenty—we figure that those who are making them either don't know what they're talking about or that they have an ax to grind.

Don't misunderstand us.

There are definitely negative things that can be said about the State, but, of late, there has been a rash of completely negative comments. And, in our book, all bad is as erroneous as all good.

With this in mind, we called together six of our writers on the Detroit Times and asked them to report the real truth about Michigan, as they saw it. We asked them to report on labor, industry, the tax structure, research, every facet of Michigan life that has been given a negative image lately.

Here is what they said:

WELFARE STATE?—UNFAIR TAXES?

John Creecy started the series of articles by zeroing in on two of the most prominent anti-Michigan allegations. Regarding the welfare state accusation, Creecy pointed out that—if this meant public welfare: institutional and noninstitutional aid to the needy:

"A new U.S. census report shows what this cost—in terms of both State and local taxes—for each Michigan citizen * * * and for the citizens of every other State.

"Welfare cost each Michigan citizen $16.30.

"It cost each Ohio citizen $17.71.

"It cost each Arkansas citizen $19.17.

"In California * * * the welfare cost for each citizen is $29.19.

"And in Oklahoma it is $47.73. * * *

"Among all the States Michigan ranked 34th in this respect."

Regarding the tax structure, Creecy again compared Michigan to other States. He reported that the average California citizen pays $237.87 in State and local levies, according to the latest census study.

"In New York the average citizen pays $229.31.

"In Wisconsin * * * it's $184.47.

"Michigan? It's $181.13 per citizen. We rank 12th among the States in this regard. When taxes are considered as a percentage of personal means we rank 31st."

INDUSTRIAL WITHDRAWAL?

James Boynton, Detroit Times financial editor, found that nothing could be further from the truth. As examples of current investment by industry, he singled out such examples:

"Ann Arbor: Where Parke Davis & Co. and the Bendix Aviation Corp. are building multimillion-dollar research laboratories. And where Hoover Ball & Bearing Co. and Buhr Machine Co. have just completed big new plants.

"Ecorse: Where the Great Lakes Steel Division of National Steel Corp. will spend $100 million constructing a new mill.

"Kalamazoo: Where the Upjohn Co. has commenced a $12 million expansion program, including what probably will be the biggest office building in the State outside Detroit. Also where the Checker Cab Manufacturing Co. is investing $5 million in capital costs in connection with production of its new passenger car.

"Grand Rapids: Where the Bissell Carpet Sweeper Co., Lear, Inc., and Blanding Paper Products are expanding to take advantage of being in the midst of the Great Lakes market.

"Muskegon: Where Brunswick-Balke-Collender is pouring several millions of dollars into a brand new pin-setter manufacturing plant.

"Detroit: Where Detroit Edison is embarked on a $3 billion 5-year expansion program, with $68 million to be spent this year; Michigan Bell Telephone Co. is expanding at the rate of $75 million a year; Michigan Consolidated Gas Co. recently announced it would spend $30 million in addition to another $20 million for its new office building in the civic center; Consumers Power Co. this year will make the largest capital expenditures in its territory—$117½ million; General Telephone Co. is spending $12.8 million on 1959 expansion."

REUTHERISM?

Jack Crellin, Detroit Times labor editor, quoted UAW President Walter P. Reuther as saying employers who claim they are moving out of Michigan to escape high wage rates are whistling in the dark.

"The small guy," said Reuther, "might be able to hide out for a while in a corner of Arkansas, but eventually his plant is going to be organized and he is going to have to pay a living wage. * * *

"Ford plants," continued Reuther, "pay the same rate for the same work regardless of where they are located in this country. The differential between General Motors plants is only a matter of pennies."

DOES REUTHER CONTROL GOVERNOR WILLIAMS?

"Nothing could be more ludicrous," said Reuther.

"I actually see him only three or four times a year and then on a public platform. I have never sought to influence him and he has never sought my advice.

"I think if anyone can control a person in public office he isn't worthy of holding the office. If I thought I could control 'Soapy' Williams I would be opposed to him."

AUTOMOTIVE MIGRATION?

Tom Kleene, Detroit Times automotive editor, reported that "most of the qualifications that made Michigan the center of automotive production in the industry's infancy remain.

"Added to these are many new ones, and the greatest is the all-important fact that the industry now is here. A mass flight would be about as practical for the automotive industry as moving the entire Government structure and its buildings out of Washington, D.C. * * *

"Actually the process of decentralization is almost as old as the industry itself. * * * Henry Ford realized the advantage of locating an assembly plant near the consumer soon after his company went into mass production. The result was that at one time in the early 1920's the Ford Motor Co. had nearly twice as many assembly plants as it now has. * * *

"Chrysler Corp. states that * * * in considering specific sites, it looks for an area capable of supplying the plant personnel of the type needed within a 30-mile radius.

"Next comes consideration of such things as zoning ordinances, land costs, type of soil, accessibility to railroads and trunk highways, availability of water, sanitary, and drainage systems, electricity and gas, and terrain which will not require costly grading.

"Chrysler reports that when a plant is lured into a community by such inducements as free land the result, in most cases, is not a happy situation either for the community or for the company concerned."

Kleene pointed out that for new capital expenditures for the industry's greatest 3-year expansion boom (prepared for 1954, 1955, and 1956, by the Bureau of the Census): "Of a total investment of $3,272 million * * * $1,282 million was spent in Michigan, or almost 40 percent of the total."

He concluded: "Actually, the present spreading out of the automobile industry from the focal point of Detroit reflects the optimism of the manufacturers over the future market which—indirectly at least—makes this area's insurance policy all the more secure."

LACK OF PROGRESS?

Will Hardy, Detroit Times economics writer, reminded readers that "oft forgotten is the precept that American communities are built around their transportation systems.

"When water transport was the only means of mass movement of materials, our Nation's first great cities were port cities.

"In the late 1800's and early 1900's, railroads spurred the growth of inland cities.

"Then came the automotive revolution, and highways brought new growth to hitherto remote areas and added to the transportation complex of the cities.

"Detroit and Michigan, ahead in automobiles, jumped ahead of the Nation in highways.

"Now, with the air age blending into the space age, Detroit has soared ahead with dramatic development of the Detroit Metropolitan Airport, the jewel of the Nation's newest and foremost landing fields, for jet-powered transport planes."

He further pointed out that "meanwhile in roads, Michigan is making a fantastic investment to keep cars and trucks moving freely. * * * When the current highway construction is completed in 1962 * * * 900 miles of expressways will connect all Michigan cities with population of more than 50,000 and will provide through routes interconnecting 95 percent of the State's population and 90 percent of the industries."

RESEARCH?

Jack Pickering, Detroit Times science writer, reported that the University of Michigan ranks third in the United States, exceeded only by Massachusetts Institute of Technology and California, in defense projects being handled for the Government. And the automobile industry has spent many hundreds of millions for research centers in Detroit and Michigan.

IN SUMMARY

John Creecy concluded the series of Times articles with an overall report on the industrial climate of Michigan. He quotes William Haber, noted professor of economics at the University of Michigan, as saying:

"Assuming high levels of employment nationally one can be decidedly optimistic about Michigan's economic outlook. * * *

"Population growth by itself does not generate jobs. It provides, however, a sound basis for economic growth. * * *

"There is no exodus of industry out of Michigan. There are more manufacturing plants operating in the State than there were in 1949 or 1953.

"And even the automobile companies, while they are now building elsewhere, have made substantial investments and expansion in their Detroit and other Michigan facilities in the postwar period.

"We are in an industrial redevelopment program. The resources promise its success once we pursue it with the vigor which has made Michigan a great industrial State."

As Creecy points out, industry in Michigan has spent $110 million for expansion, a jump of nearly $30 million from the 1957 figure. The total outranked every State except Texas, New Jersey, and Illinois. Thus, Michigan ranked fourth in industrial construction in 1958.

PHIL F. DE BEAUBIEN,
Publisher, the Detroit Times.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

Mr. KUCHEL. Mr. President, will the Senator withhold his suggestion a moment.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator withhold his request?

Mr. GOLDWATER. I withhold my suggestion of the absence of a quorum.

Mr. KUCHEL. Mr. President, I am in a quandary about the pending amendment. It is long. It is technical. It is frightfully involved. It is difficult to read, let alone understand. I listened to the able senior Senator from Arkansas [Mr. McCLELLAN] earlier this afternoon, who said that he believed some parts of the amendment would improve the bill while other parts of it would not. Thus the Senator suggested that different segments of the pending amendment ought to be offered separately. I agree with the Senator from Arkansas. I think the several parts should be offered separately, so that we can pass judgment on them separately and vote on them separately. That is in the interest of good procedure.

I am prepared, Mr. President, after a reading of the text of the pending substitute amendment to support unequivocally some of the sections of the amendment. With respect to other sections, I desire to ask some questions. Possibly I shall offer language which in my judgment would improve the sections about which I have some question.

Therefore, I should like to make my position crystal clear. I feel compelled, Mr. President, to vote against the substitute amendment in its present "package" form. Having said that, I wish to iterate a part of what I hope will be presented to me tomorrow in a form which I can approve by my vote.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the able Senator from Massachusetts.

Mr. KENNEDY. Is the Senator aware of the fact that if the amendment were agreed to it would mean that all amendments dealing with secondary boycotts, prehiring agreements, picketing, and so forth, would be in the third degree; and that it would be impossible for any Member of the Senate to offer any amendment dealing with any of those subjects if the substitute amendment were agreed to in its present form?

Mr. KUCHEL. I am not aware of that. Is that the parliamentary situation?

Mr. KENNEDY. That is the parliamentary situation. If the substitute amendment of the Senator from Illinois were agreed to, it would then become impossible to deal with any of these subjects, which involve the most sensitive and delicate areas of labor relations.

Mr. KUCHEL. So that there may be no misunderstanding, Mr. President, since my able friend from Massachusetts has raised a very important question, will the Chair officially state what the parliamentary situation would be, in view of what the able Senator has suggested?

The PRESIDING OFFICER. The Chair will inform the Senator from California that if the amendment were agreed to as a substitute for title VI, the action would be binding upon the Senate, and specific provisions of the amendment could be reached only indirectly; so the statement of the Senator from Massachusetts is essentially correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my colleague from New York.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. Do I correctly understand that if the substitute amendment were agreed to it would then not be open to any further amendment?

The PRESIDING OFFICER. The language per se would not be open to amendment.

Mr. KEATING. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. The only way by which an amendment to the pending substitute amendment could be considered would be by offering such an amendment prior to action on the Dirksen amendment?

The PRESIDING OFFICER. That is essentially correct.

Mr. KEATING. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. If an amendment to the Dirksen amendment were to be offered, since the yeas and nays have been ordered on the Dirksen amendment, could the yeas and nays be ordered on an amendment to the Dirksen amendment?

The PRESIDING OFFICER. If the Senate agrees, the yeas and nays can be ordered on any amendment.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from South Dakota?

Mr. KUCHEL. Mr. President, I yield to my friend, the able Senator from South Dakota for the purpose of making a parliamentary inquiry.

Mr. CASE of South Dakota. The Senator from California has raised the possibility of adopting portions of the so-called Dirksen substitute amendment. Is it not correct to state that that could be done by any Senator's offering portions of the amendment, if he so desired, as perfecting amendments to the original text of the bill, to be voted upon before the substitute amendment is voted on?

The PRESIDING OFFICER. Title VI is open to perfecting amendments now.

Mr. CASE of South Dakota. Yes. And title VI could be perfected prior to a vote on the Dirksen substitute amendment, which is essentially a motion to strike and to insert.

The PRESIDING OFFICER. The Senator is correct. If the Dirksen substitute amendment for title VI were agreed to, then there would be difficulty in offering amendments.

Mr. CASE of South Dakota. The Dirksen amendment itself could not be later amended, once it had been agreed to, but it would be possible for an amendment to be offered as a perfecting amendment to the main bill. It would be possible also for an amendment to be offered to the Dirksen amendment, which would put it in both places.

The PRESIDING OFFICER. It is in order to amend the Dirksen amendment now by perfecting amendments.

Mr. CASE of South Dakota. Yes. While the Dirksen amendment is pending, perfecting amendments could be offered to the original bill before the Senate. In fact, the Dirksen substitute amendment could be offered piecemeal until it was all incorporated in the text of the original bill, prior to the vote on the Dirksen amendment, if that were so desired.

The PRESIDING OFFICER. Only with respect to title VI.

Mr. CASE of South Dakota. Yes; as to title VI.

The PRESIDING OFFICER. That is correct.

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. GOLDWATER rose.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Arizona?

Mr. GOLDWATER. Mr. President, I was waiting for the Senator from California to conclude.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. KUCHEL. Mr. President, I am not alone in the questions which occur to me with respect to the substitute "package" amendment. On some parts of the amendment it is relatively easy to reach a conclusion. One provision of the substitute amendment, for example, simply states:

> In case of a vacancy in the office of the General Counsel the President shall designate the officer or employee who shall serve as General Counsel during such vacancy.

That is easy to vote up or down. I am for that. It seems to me no Member of the Senate should have any question about it.

However, then the proposal becomes a little more difficult. Then we come to the provision dealing with the "no man's land," which is a complex State-Federal jurisdictional question. It may be that the language in the bill on that subject is effective. It may be that the Members of the committee who heard the subject discussed will give us the benefit of their views pro and con, so that those of us who are not Members of the Committee on Labor and Public Welfare will have the opportunity to make a decision. I hope this may be the case.

Then we come to the most involved questions of all, those which deal with such problems as so-called organizational picketing. Let there be no mistake. So far as I am concerned, Mr. President, we need legislation in this field. If the employees in a given business determine that they do not want to belong to a union, I think the public interest clearly requires that there should not be any right to picket that business the very next day. There should be some type of reasonable limitation upon the right to picket. Apparently that is what is sought in a portion of the amendment, but in some other of the language on this part of the substitute is awkward, beclouded and, I think, ought to be deleted.

We come to some language which requires cross-examination and discussion. We ought to be the beneficiaries of the pros and cons in this debate, as to what is meant by such language as is found on page 62, in connection with this picketing proposal:

> Where the labor organization cannot establish that there is a sufficient interest on the part of the employees in having such labor organization represent them for collective bargaining purposes—

"Cannot establish" where? Before whom? Under what circumstances? Those are questions which must be answered before we are prepared intelligently to vote on this proposal.

I reiterate that I believe that much in the substitute is good, but I will not vote for all of it, because I still question some of it.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that debate on the Dirksen amendment and all amendments thereto be limited to 2 hours, to be equally controlled by the author of the amendment [Mr. DIRKSEN] and the majority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. ALLOTT. Mr. President, reserving the right to object, I should like to inquire of the majority leader if he meant by his request that the total debate on the amendment and all perfecting amendments would be 2 hours, or whether he meant that limitation to apply only to the Dirksen amendment and to each of the amendments to it?

Mr. JOHNSON of Texas. The proposed limitation is 2 hours. I have con-

sulted with the Senator from Illinois [Mr. DIRKSEN] and the Senator from Arizona [Mr. GOLDWATER], the ranking minority member of the committee——

Mr. ALLOTT. I withdraw my objection.

Mr. GOLDWATER. Mr. President, the very question to which the senior Senator from California addressed himself is already proposed to be taken care of by an amendment of my friend from New York [Mr. KEATING]. As ranking member of the committee, I find no objection to it. I am certain the Senator from Illinois will accept it. It relates to a point which, in the debate in the committee, brought forth much comment, and there was much effort on our part to improve it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KUCHEL. Mr. President, reserving the right to object, under the unanimous-consent proposal would it be in order for any of our colleagues to offer perfecting amendments?

Mr. JOHNSON of Texas. It would.

Mr. KUCHEL. I have no objection.

Mr. CASE of South Dakota. Mr. President, reserving the right to object for the purpose of obtaining a clarification, what would be the time allotted in the case of a perfecting amendment offered to the main bill, in advance of voting on the Dirksen amendment?

Mr. JOHNSON of Texas. There would be such time as Senators who control the time desired to allot.

Mr. CASE of South Dakota. Would that time come out of the 2 hours?

Mr. JOHNSON of Texas. The proposed limitation relates to the Dirksen amendment and all amendments thereto.

Mr. CASE of South Dakota. A perfecting amendment to the bill itself would be in order, would it not? That would not be an amendment to the Dirksen amendment.

Mr. JOHNSON of Texas. I am proposing a limitation of time only on the Dirksen amendment and any amendment thereto. Any time allotted would come out of the 2 hours. The time would be controlled by the Senator from Illinois [Mr. DIRKSEN] on one side and the majority leader on the other.

Mr. CASE of South Dakota. As I understood the request presented, it dealt with the Dirksen amendment and any amendments thereto. An amendment to title VI of the bill would not come in that category.

Mr. JOHNSON of Texas. My purpose was to permit Senators to know with some degree of accuracy when the vote on the Dirksen amendment would be taken, which would be not more than 2 hours from now. Some time will be yielded back. The opponents of the Dirksen amendment tell me that they will use only a few minutes.

Mr. CASE of South Dakota. It seems to me that the time might be somewhat restricted.

Mr. JOHNSON of Texas. I will let the request apply to the Dirksen amendment and all amendments thereto, and to any amendment which might perhaps be offered to the bill. Would that meet the Senator's objection?

Mr. GOLDWATER. Mr. President, is it not possible to have perfecting amendments to the body of the bill offered at some other time?

Mr. JOHNSON of Texas. They could be.

Mr. GOLDWATER. We are discussing an amendment relating to one particular title.

Mr. CASE of South Dakota. Mr. President, my understanding is that the term "perfecting amendments" relates only to perfecting amendments to the title proposed to be stricken by the Dirksen amendment.

Mr. JOHNSON of Texas. If my request is not clear, I shall be glad to modify it.

I ask unanimous consent of the Senate that there be not to exceed 2 hours debate on the Dirksen amendment and all amendments thereto, or in connection therewith, or perfecting amendments to the bill——

Mr. CASE of South Dakota. I would have to object to such a limitation.

Mr. JOHNSON of Texas. How would the Senator like to have the agreement worded?

Mr. CASE of South Dakota. For example, if the Senator from California should wish to insure consideration of a portion of the Dirksen amendment as a perfecting amendment to the bill, and he preferred to vote for the perfecting amendment as such, he should have the right to do so.

Mr. JOHNSON of Texas. He would have.

Mr. CASE of South Dakota. Debate and such a presentation should not have to come out of 1 hour of time.

Mr. JOHNSON of Texas. We have canvassed as many Members as possible. We have learned that the opponents will not consume an hour. Senators desire to make other plans and attend other meetings. It would be desirable if we could obtain a time limitation satisfactory to Senators. Some Senator may have an amendment about which I know nothing. I have talked with the Senator from Illinois [Mr. DIRKSEN], the Senator from South Dakota [Mr. MUNDT], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Massachusetts [Mr. KENNEDY]. I have talked with the Senator from New York [Mr. KEATING]. The Senator from California [Mr. KUCHEL] has no objection. I shall be glad to modify the request so as to include language satisfactory to the Senator from South Dakota, if possible.

Mr. CASE of South Dakota. Is it proposed to proceed with the 2 hours of debate tonight?

Mr. JOHNSON of Texas. Yes. The Senator from Massachusetts [Mr. KENNEDY] says he will use only 5 or 10 minutes of his hour. The Senator from South Dakota [Mr. MUNDT] desires 5 minutes. The Senator from Arizona [Mr. GOLDWATER] desires 20 or 25 minutes.

Mr. CASE of South Dakota. It is not particularly important so far as I am concerned, but it so happens that the junior Senator from South Dakota has an engagement to speak down town at a District Bar group meeting tonight, and he would like to keep that engagement.

Mr. JOHNSON of Texas. If we can obtain the proposed agreement, the Senator can keep his engagement. He could keep an engagement in New York.

Mr. CASE of South Dakota. I should like to offer an amendment it it seems propitious, dealing with a sentence proposed to be stricken in title VI, before we proceed to a final vote on the Dirksen amendment.

Mr. JOHNSON of Texas. I think there would be time for that purpose, even if all the time were used. I am sure that the opponents will not use all of their time. The debate should be concluded by 6:30 or 6:35.

Mr. CASE of South Dakota. Reading between the lines, it would appear that there is no great prospect of the Dirksen amendment being agreed to, because I do not believe that such a complicated amendment will be accepted, in the present temper of the Senate, with an hour's debate. In view of that fact, and the fact that if the Dirksen amendment is not agreed to, title VI will still be subject to amendment, I withdraw my amendment.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. If the pending amendment, the Dirksen substitute for title VI, is rejected, title VI will then be open to amendment, will it not?

The PRESIDING OFFICER. The Senator is correct.

Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement as entered was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of the bill S. 1555, the so-called Labor bill, further debate on the amendment offered by the Senator from Illinois [Mr. DIRKSEN] striking title VI and substituting language therefor and any amendment thereto, shall be limited to 2 hours to be equally divided and controlled by the proponent thereof and the majority leader.

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER. All time is controlled by the majority leader, the Senator from Texas [Mr. JOHNSON] and the minority leader or any Senator designated by him.

Mr. GOLDWATER. Mr. President, I yield myself 30 minutes.

I may answer some of my colleagues' fears by stating that if the pending amendment prevails, there will be no need further to amend title VI, and no need for further Taft-Hartley amendments.

I may add further for the comfort of my colleagues that Senators who voted for the Ervin amendment can certainly have no qualms in voting for the pending amendment, because most of us, I am sure, voted for the Ervin amendment in the belief that without provisions concerning secondary boycotts and picketing, title VI is valueless, and that we would like to consider Taft-Hartley amendments at a later date.

Senators who voted against the Ervin amendment in the hope of having some vehicle to which to attach Taft-Hartley amendments will have such a vehicle in the substitute for title VI. In addition, the amendments in which they are interested are included in the substitute for title VI. Every amendment to the Taft-Hartley Act which was contained in title VI, with the exception of that relating to supervisors, is included in the Dirksen substitute for title VI.

In addition to that, there are secondary boycott and picketing prohibitions.

I voted for the Ervin amendment for the reasons I have stated. Now that title VI is a part of the Kennedy-Ervin bill, I have no qualms at all in proceeding to support title V of the administration bill.

The Senator from North Carolina [Mr. ERVIN] would strike out the provisions of title VI because he considers that amendments to the Taft-Hartley Act are "nongermane" to the purpose of the proposed legislation, which he describes as being to "outlaw malpractices in the internal affairs of unions."

The administration bill has a broader purpose, namely, to curb the improper practices in the labor and management fields revealed by the Senate select committee, and in this respect many of its Taft-Hartley Act amendments are not only germane, but also essential. In this respect, the present provisions of title VI are totally ineffective.

Title VI completely ignores the need to protect employers and employees from recognition or organizational picketing which coerces employees in the exercise of their rights under section 7 of the National Labor Relations Act. Title VI ignores the need to make more effective the secondary boycott provisions of the National Labor Relations Act—to eliminate loopholes which enable neutral employers and employees to be dragged into labor disputes not of their making and which enlarge the area of industrial dispute. Title VI fails to deal with the pressing jurisdictional no man's land in an effective and realistic manner. Without effective provisions in these three areas—secondary boycotts, coercive organizational and recognition picketing, and the no man's land—this proposed legislation will fail to meet the needs demonstrated by the hearings of the select committee.

Corruption in unions and in labor-management relations exists, Mr. President, because corrupt elements have infiltrated into this area. The racketeers who have forced their way into unions did not do so because of any desire to improve the conditions of workers. They were drawn into labor organizations not merely by the possibilities presented by unguarded union treasuries but because certain union activities could be perverted for racketeering, for extorting money, and inducing bribe payments from fearful or corrupt employers. These activities are also the principal causes of labor violence, to which criminal elements have lent their muscle.

The activities to which I refer are coercive organizational and recognition picketing and secondary boycotts. Any program which does not try to eliminate the opportunities for corruption presented by these activities cannot be considered as effectively and fully dealing with improper practices in the field of labor-management relations.

The McClellan committee has heard a great deal of testimony as to how certain unions, particularly the Teamsters, have taken advantage of the inadequacies of the present secondary boycott provisions of the National Labor Relations Act to force employers to cease doing business with other employers of whom the union disapproves. Yet S. 1555 does nothing to correct these inadequacies.

When the Taft-Hartley Act was enacted in 1947, it was the intent of Congress to do away with secondary boycotts. Evidently Congress at that time overlooked some important fact situations leading to secondary boycotts—at least the Board and the courts consider that we did—and these have been seized upon by those intent upon circumventing the law to achieve objectives otherwise prohibited by the act.

The biggest loophole in the present law is that it does not prohibit a union from using direct pressures upon an employer with the object of forcing him to cease using the products of, or to cease doing business with, another person. If this objective is contrary to public policy, which it is, it is no less contrary to public policy to achieve it through one means rather than another.

Threats of a strike or picketing made directly to an employer can be as effective as the strike or the picketing itself. In this way an employer may be coerced into entering into or living up to hot-cargo agreements, which are standard in Teamster contracts, under which his employees do not have to handle or work on goods produced or handled by another employer who happens to be in disfavor with the union. Under the law a union may not enforce such an agreement by inducing the employees to refuse to perform services. The agreement can be just as effectively enforced, however, by coercion of the employer, which is permitted under the present law.

The present secondary boycott provisions of the act also give no protection to railroads or agricultural enterprises since they are excluded from the term "employer" as defined in the act. Thus, unions which have stopped railroad employees, agricultural workers, and municipal employees from their normal activities in order to retaliate against some other employer have been immune from the act.

The present law also permits the Teamsters Union to appeal to individual truckdrivers to refuse to deliver goods to any establishment, as well as to appeal to other individual union men such as repairmen, and maintenance men, to refuse service, with impunity. Since the appeal or threat is directed to the individual truckdriver and helper or repairman, there is no inducement of a concerted refusal to perform services.

Under this amendment section 8(b)(4) of the act would be amended to make it an unfair labor practice for a union or its agents "to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce" where an object is to force or require that person to cease, or "to agree to cease," doing business with another person. This clause will reach coercive activity directed not only to the employer himself but to any person acting as his agent, such as supervisory and managerial personnel. By adding the words "or to agree to cease" to section 8(b)(4) the amendment would preclude unions from coercing employers to accept hot-cargo contract provisions against their will.

The word "person" is used in the proposed amendment to the secondary boycott provision rather than "employer," in order to extend the protection of the secondary boycott provisions of the act to public employers, railroads, or agricultural enterprises without subjecting them to other provisions of the act. Under the amendment it would also be an unfair labor practice for a union or its agents "to induce or encourage any individual employed by any person engaged in commerce" to engage in a strike or refusal to perform services for the proscribed object. The omission of the word "concerted" is intended to reach inducements to refuse services directed at a single employee of a secondary employer, the cumulative effect of which is no less effective than a concerted refusal in stopping the flow of supplies to a store or factory.

Section 8(b)(4) would also be amended to make it clear that the secondary boycott provisions do not proscribe certain activities which should not be considered to be in the category of secondary boycotts. One of these is union activity affecting a secondary employer who is engaged with the primary employer in work on the same construction site. The other is secondary activity against employers who assist a primary employer in breaking a lawful strike by performing struck work which has been farmed out to him by the primary employer. Although some courts have held that a union may exert economic pressure on the secondary employer who is handling such farmed out struck work, this amendment will write this principle expressly into the statute.

The amendment which I offer would also deal in forthright fashion with the other major abuse which S. 1555 does not now reach, namely, the use of picket lines to force unwilling employees to join a union which they do not want, or to force an employer into recognizing a union against the wishes of his employees. The select committee received considerable testimony as to how such picket lines inflicted so much economic damage on small companies that they were compelled, in order to stay in business, to recognize unions which represented only a small minority or none of their employees. The coercive effect of this picketing on the employees frequently forces them to sign up with an unwanted union if they do not wish their means of livelihood endangered by the employer's declining business.

One of the conclusions of the select committee, stated in its interim report,

was that the "weapon of organizational picketing has been abused" by its use "without the consent of the employees of the picketed plant and before some or any of them have indicated a desire to join the union in question." In testimony before the Subcommittee on Labor, Prof. Godfrey P. Schmidt, one of the members of the teamsters' board of monitors, stated that from "conversations with rank and file workers, I am persuaded that they are as convinced as I am that no labor reform can be effectuated unless recognition and organizational picketing is banned."

Under this amendment these forms of picketing would be curtailed without interfering with legitimate union activity. It would be an unfair labor practice for a union to picket, or to threaten to picket, an employer, except under certain specific conditions, when the object is to force or require the employer to recognize it, or the employees to accept or select it, as a bargaining representative. Thus picketing for such an object would be prohibited.

Mr. President, I believe the distinguished junior Senator from New York [Mr. KEATING] has a very well drafted amendment to meet the objections which the Senator from California noticed and which have been noticed before. I will yield to the Senator from New York if he desires to offer the amendment.

Mr. KEATING. I thank the Senator from Arizona.

Mr. President, I offer an amendment on page 62, line 10, of S. 748, which is the Dirksen amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 62, line 10, of Mr. DIRKSEN'S amendment, beginning with the colon, it is proposed to strike out through line 20 and in lieu thereof insert the following:

(B) an election has been held under section 9(c) within the preceding twelve-month period and no labor organization has been certified as the representative of such employees, or (C) a petition has been filed under section 9(c)(1)(A) by another labor organization or under section 9(c)(1)(B) by such employer, and such petition is pending before the Board.

On page 62, line 21, redesignate subsection E as subsection D.

Mr. KEATING. Mr. President, the amendment would limit racketeering, blackmail types of organizational picketing, or whatever one chooses to call it, to specific cases, such as where another union has been selected or the employees of the plant have voted for no union, or when a petition is pending by either a union or an employer in a plant which was affected. It would strike out that provision of the picketing amendment which appears to be so general in its language that it seems to me to be open to objection.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. McCLELLAN. Does the Senator from New York provide in his amendment, or does the substitute amendment provide, together with his amendment, for picketing when a majority of the employees of the plant have petitioned their employer to recognize the union?

Mr. KEATING. In such a case, if the members of another union had filed a petition or if the employer had filed a petition, picketing would not be allowed.

Mr. McCLELLAN. That is a matter for the Labor Relations Board. I have an amendment which I shall offer if something else is not adopted to block it, which would delay the recognition of organizational picketing for 1 year after there had been an election and the employees had rejected a union, or unless a majority of the employees had petitioned their employer for a union.

I am opposed to organizational picketing. I think it is a form of economic coercion which ought to be outlawed. I think it is completely wrong.

But I think the minute a majority of the employees decide they want a union, they are entitled to have it. Although they may have rejected a union within a year's time in an election, if subsequently, within a year's time thereafter, a majority of them petition their employer for the recognition of a certain union to be their bargaining representative, then I think they should have the right to picket.

Mr. KEATING. I judge from what the Senator from Arkansas has said that my amendment does not go as far in one respect, in barring organizational picketing, as does his amendment, but perhaps my amendment goes further in another respect.

Mr. McCLELLAN. Yes.

Mr. KEATING. We are dealing now with the Dirksen amendment. I feel that my amendment improves the Dirksen amendment, in that it strikes out section (c), which provides: "Where the labor organization cannot establish that there is a sufficient interest on the part of the employees in having such labor organization represent them for collective bargaining purposes."

I am worried about that language as being rather indefinite and rather difficult to assess. My amendment would limit the bar on this type of picketing to three types of cases: First, when the employer of the plant which it is sought to picket has already recognized, in accordance with the provisions of law, another labor organization; second, where within the past 12 months there has been a valid election in the plant, and the employees voted to have no union; third, where either the labor organization or the employer in the plant which is sought to be picketed has filed a petition for election, and the petition is pending. In those three instances, it seems clear to me that there should be no picketing of the plant.

Mr. McCLELLAN. I think I am in full agreement with the general objective of the amendment offered by the Senator from New York. I simply go one step further and provide that if and when a majority of the employees actually petition their employer for the recognition of a union, and if the employer does not, within 5 days, respond to the request of the majority, they shall have the right to picket.

Mr. KEATING. I think that is perhaps true. I think I might be able to support the amendment of the Senator from Arkansas at the proper time.

Mr. McCLELLAN. As we move along, I am trying to get an understanding of the different views, so that we may correlate them and get some good amendments to the bill.

Mr. KEATING. The purpose of my amendment is to make clear and precise the instances in which picketing is not allowed. After all, picketing, indeed, all forms of organizational picketing, are pretty well recognized and cannot be interfered with when they are conducted in a legitimate manner. What is sought to be eliminated by my amendment is what might be termed racket or illegitimate picketing, or a type of picketing which should not be recognized. I feel that this amendment will improve the language of that particular section.

Mr. GOLDWATER. Mr. President, in our discussions in the committee, the language "sufficient interest" and "a reasonable period of time" generated quite a bit of questioning. While we were discussing the administration's proposal, which contains this language, we were seriously inclined toward changing it. I am very happy, representing the junior Senator from Illinois [Mr. DIRKSEN], to accept the amendment offered by the Senator from New York.

Mr. KENNEDY. Mr. President, am I to understand that the Senator from Arizona is accepting the amendment on behalf of the Senator from Illinois?

Mr. GOLDWATER. Yes. The amendment of the Senator from New York is offered to the amendment of the Senator from Illinois; it does not bear on the bill directly.

Mr. KENNEDY. If an employer recognized a Johnny Dio union without an election having been held to choose a union for the purposes of collective bargaining with the employer, what remedy could the AFL–CIO take in order to picket that employer as being unfair to labor, under such an amendment as has been offered?

Mr. KEATING. If the employer has previously recognized in accordance with the National Labor Relations Act, a legitimate labor organization, then an outside labor organization could not picket his plant.

Mr. KENNEDY. In other words, in the case to which we have referred, it would be very possible for an employer to recognize Mr. Dio as the bargaining agent for the employees, without the holding of an election; and then the AFL–CIO, which now is attempting to work against sweetheart contracts in New York, would be limited in what it could do. It would have to take up the matter in a proceeding before the National Labor Relations Board, which would take from 2 to 3 years.

Mr. KEATING. My answer is that in this proposed legislation there should be provisions for dealing separately with "sweetheart" contracts. I do not think this is the appropriate bill in which to deal with that problem.

Mr. KENNEDY. But the Senator would be denying to labor a legitimate

right, without in any sense limiting an employer in shopping around for a union which would give him a "sweetheart" contract.

In the bill we have prohibited employer payoffs to union leaders; but there is no way by which we can prevent an employer from making with a union an arrangement which would enable the employer to undersell—through low wages—legitimate employers who were paying decent union wages.

Of course, it is quite proper to tie this provision to the Dirksen amendment; but I still point out to the Senate that this would mean that all other amendments in regard to picketing, as well as in regard to prehiring, and so forth, would be in the third degree; and there are a number of other amendments which I would wish to propose to the Dirksen amendment before it comes to a vote.

Mr. KEATING. There are other amendments of that sort which I should like to see made to the Dirksen amendment; but we are taking these up one at a time; and I believe this one improves the Dirksen amendment.

The situation to which the Senator from Massachusetts has referred sounds to me as if it would constitute an unfair labor practice—if there were such an agreement between an employer and a racket union; and I believe the union would have a perfect right to picket against an unfair labor practice.

This provision would not interfere with picketing against an unfair labor practice, as described by the Senator from Massachusetts.

Mr. KENNEDY. Unfortunately, it takes from 2 to 3 years for the National Labor Relations Board to determine whether an unfair labor practice has been engaged in.

I would think that, under various decisions of the Board, it might hold that the union was picketing for recognition; and, therefore, the language proposed by the Senator from New York would prohibit the union from carrying on picketing under those conditions.

Mr. KEATING. Certainly the language of the amendment offered to the Dirksen amendment improves the language of the existing antipicketing provision, because it makes it definite.

The Senator from Massachusetts may be opposed to any antipicketing provision of any kind; but, in my judgment, this provision does improve the present rather unprecise language of this picketing provision.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The question is on agreeing to the amendment of the Senator from New York [Mr. KEATING] to the amendment of the Senator from Illinois [Mr. DIRKSEN].

The amendment to the amendment was agreed to.

Mr. KENNEDY. Mr. President, I did not think the Senate had to vote on the amendment to the amendment, because the Senator from Arizona had accepted it.

Mr. GOLDWATER. I did not think so, either.

The PRESIDING OFFICER. The yeas and nays have been ordered on the Dirksen amendment; and therefore it cannot be modified or changed, except by unanimous consent or by amendment by way of motion.

Mr. KENNEDY. As I understand, the vote just taken was on the amendment of the Senator from New York [Mr. KEATING], which the Senator from Arizona [Mr. GOLDWATER], on behalf of the Senator from Illinois [Mr. DIRKSEN], had already accepted as an amendment to the Dirksen amendment.

The PRESIDING OFFICER. It could not be accepted, except by unanimous consent, inasmuch as the yeas and nays had previously been ordered on the question of agreeing to the Dirksen amendment.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that it be accepted.

The PRESIDING OFFICER. The Keating amendment to the Dirksen amendment has, by motion, already been agreed to.

Mr. KUCHEL. Mr. President, what is there to prevent our taking a voice vote, and in that way adopting the amendment to the amendment?

Mr. GOLDWATER. That has been done. The Chair was referring to the parliamentary rule that, after the yeas and nays have been ordered on the question of agreeing to an amendment, it can be modified only by unanimous consent.

Mr. President, I ask that the Chair clarify the situation as regards the time remaining to each side, in view of the time which in the last few minutes has been used by the Senator from Massachusetts, because our side has only 1 hour and his side has only 1 hour; and I would not wish to transgress on the time available to Senators who are about to enter the Chamber.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the time I have used in questioning the Senator from New York be charged to the time available to me, rather than to the time available to the Senator from Arizona. I believe I used about 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, this proposal does not affect picketing against employer unfair labor practices. It would not prevent a legitimate union from bona fide picketing against an employer who had entered into a "sweetheart contract" or who utilized "sweatshop labor." It would not bar organizational or recognition picketing, for example, if the incumbent union was a minority union—that is, a union which has not been designated as bargaining representative by an uncoerced majority of the employees. Such a union would not be recognized in accordance with the act. Nor would it bar such picketing if the incumbent union, first, was dominated or assisted by the employer, in violation of the act, second, had established its majority status by fraudulent means, third, had an existing contract which contained an illegal union security provision, or fourth, had a contract which had been in effect for more than 2 years.

Senate bill 1555 attempts to deal with abuses of the picket line by amending section 302 of the National Labor Relations Act only to make so-called "extortion" picketing unlawful—in this case, a misdemeanor. This limited provision does not begin to reach the real problem. The conduct which it prescribes is already subject to criminal penalties as a felony under the Hobbs Act. In addition to its failure to reach the real problem area of coercive picketing, this provision of the bill so cuts across the provisions of the Hobbs Act that it could limit the effectiveness of that act.

With respect to the no man's land problem, this bill completely ignores the select committee's recommendation that—

> Any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

The amendment which I offer would carry out that recommendation.

This amendment would specifically authorize the Board to decline jurisdiction over cases which, in its opinion, do not sufficiently affect commerce to warrant the exercise of its jurisdiction. This is a discretionary power which the Board has been exercising during its entire history, under both the Wagner Act and the Taft-Hartley Act. The provisions of the amendment, therefore, would write into the statute an existing implicit power, and would not mean any change in practice.

The amendment, as recommended by the McClellan committee, would authorize the States to assume and assert jurisdiction over cases over which the Board declines to assert jurisdiction. Prior to the Supreme Court's decision in the Guss case, the agencies and courts assumed that they had this authority, and they asserted jurisdiction over such cases. The effect of the amendment, therefore, is to make legal what many thought was legal until the Supreme Court decided otherwise.

The present provision in the bill which purports to deal with the no man's land would, in my opinion, have the same effect as the provision in the Kennedy-Ervin bill, as introduced, which would have required the National Labor Relations Board to assert jurisdiction over all disputes arising under the act. Any realist knows that it is simply not practical for the Board to attempt to assert jurisdiction over the full reach of the act—over the countless numbers of disputes in small establishments, which may technically affect commerce, but which are primarily local. To do so would so increase the Board's caseload, and therefore the period of time required to dispose of cases, as to render the Board's processes ineffectual.

The provision in Senate bill 1555 attempts to meet these objections by permitting the Board to delegate its jurisdiction to State agencies, but in such a manner as to make the State agency a mere arm of the Board in the administration of the Federal law. The implication is that by entering into such agreements the Board will be able to relieve itself of the burden which would be imposed by asserting jurisdiction over essentially local cases which do not significantly affect commerce. It is ex-

tremely doubtful, however, that the authority given the Board to delegate its jurisdiction can be utilized. Only eight States have a State agency with which the Board could enter into an agreement, and it is doubtful that any one of these agencies presently has authority to enter into the sort of agreement authorized by S. 1555.

Even if enactment of implementing legislation by several of the States made it possible for the Board to enter into a few scattered agreements, there would be no overall reduction in the amount of work to be done by the Board. In its strenuous efforts to make any State agency which enters into such an agreement completely subservient to the Board, S. 1555 requires that processes and orders issued by the State agency be enforced by the Board. A refusal by the State agency to issue a complaint on an unfair labor practice charge or proceed with a petition for representation would be appealable to the Board. The appellate and policing burden placed on the Board by any agreement would probably offset any reduction in workload otherwise accomplished by the agreement.

This amendment would substitute for the present provisions of S. 1555, permitting prehire agreements in the construction industry, the administration's proposal, which would permit, under appropriate circumstances, the certification of building trades unions as bargaining representatives without a prior hearing.

This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employees and the existence of a collective bargaining agreement between them. A history of a collective bargaining relationship between the union and the employer prior to the current agreement would be required. Certification under this proposal would not be available if the Board found that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

It has long been recognized that the hiring practices and collective bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries, and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence, and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time. Proposals have been made from time to time to amend the act so as to enable the construction industry's labor relations to come into conformity with the representation provisions of the act.

The present proposal provides a means whereby construction unions may acquire Board certification as exclusive bargaining representatives. There are several advantages accruing to a union as the result of Board certification. Conversely, there are disadvantages resulting from lack of certification—disadvantages which construction unions have suffered only because the employment patterns in their industry made certification impossible under the existing provisions of the act.

The effect of this proposal would be to protect voluntary collective bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

The present provision of S. 1555 with respect to prehire agreements in the construction industries, I submit, goes beyond what is needed to place building trades unions on an equal basis, under the act, with unions in other industries. Under these provisions, employers and unions in the construction industry would be permitted to enter into collective bargaining contracts before any of the employees were ever hired, and consequently before the wishes of the yet-to-be-hired employees concerning their representation were ascertained. S. 1555 would permit such contracts to provide for 7-day union shops. It would expressly sanction, for the construction industry, hiring practices and contract provisions which have been subject to extensive litigation before the Labor Board and the courts.

Mr. President, it seems to me that we should not place the unions in the building and construction field in a position of special privilege, at the expense of the employees in that industry. We should not specifically legalize certain hiring arrangements in that industry while the legality of such arrangement in other industries remains subject to administrative and judicial determination.

What we should do, Mr. President, is to create the conditions and procedures whereby all parties in the construction industry can, as far as practicable, enjoy the same rights and privileges that have long been regarded as a matter of course in the other industries. The amendment I offer would do this by allowing the Labor Board to issue certifications in that industry without the requirement of elections, which as a practical matter cannot be held, but with safeguards to ensure that only unions which are the representatives of the employees affected receive the benefit of such certifications. Such certifications would benefit all parties concerned, since a certification is, under most circumstances, conclusively established for a period of a year. The unions, the employers, and the employees are usually insulated against the unstabilizing effects of rival union raiding for that period, and picketing for recognition by rival unions is prohibited by the law. These benefits are enjoyed by unions, employers, and employees in the other industries covered by the Taft-Hartley law; and by enacting this amendment we can create equal rights throughout these industries, rather than replace one inequality with another one.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Will the Senator suspend? The 30 minutes the Senator from Arizona has yielded to himself have expired.

Mr. GOLDWATER. I yield myself another 10 minutes.

Mr. KUCHEL. Mr. President, will the Senator yield for a question on this subject?

Mr. GOLDWATER. Yes.

Mr. KUCHEL. I read, at the bottom of page 64, line 20——

Mr. GOLDWATER. Where is the Senator reading from? Is he reading from the text of S. 748?

Mr. KUCHEL. Yes, S. 748, at page 64, line 20, the new language which is suggested:

Provided, That the Board may, without prior thereto having conducted an election by secret ballot, certify a labor organization referred to in clause (C) of this paragraph as the exclusive representative of employees of an employer referred to in said clause (C) in such unit as the Board may find is appropriate for the purposes of collective bargaining with respect to rate of pay, wages, hours, and other conditions of employment * * *

I think I understand that language, and, like my friend from Arizona, I think I favor it, but here is my question: What does the following language mean? I read it:

Provided further, That the preceding proviso shall not apply where there is no history of a collective bargaining relationship between the petitioning employer and labor organization prior to the current agreement or an employee or group of employees or any individual or labor organization acting in their behalf allege, and the Board finds, that a substantial number of employees presently employed by the employer in the bargaining unit assert that the labor organization is not a representative as defined in section 9(a).

Will the Senator discuss the reasons back of the language relating to no prior history, and so forth?

Mr. GOLDWATER. The object is the protection of the worker. It would be wrong, in our estimation, for a union to bargain with a contractor, let us say, without any prior history. The rights of a worker might be excluded. Let us not use the word "exclude." The rights of a worker might be overlooked or destroyed. If there were allowed in the construction trade a hiring hall, which many feel is necessary to the proper operation of that industry—and I shall not argue against that point—we should protect, as much as we can, those who are members of a union, and exclude, let us say, favoritism of a union member over a nonunion member.

Mr. KUCHEL. Let us consider one of the great reclamation projects in the West, for example, one of the great construction projects on the upper Colorado or one of the great reclamation projects in California which my friend helps me to obtain for my State. Sometimes, in order to have sufficient business organization borrowing authority, and the

like, it is oftentimes necessary for several contractors to join together for a particular project, and thus to become a new employing unit. If that were so, then there would be no history of bargaining.

Mr. GOLDWATER. Oh, yes. I will say that we in Arizona sometimes look generously upon people who want to work on our projects, but at times we do not like the people who want to take our water but still want to work.

The situation the Senator describes would be taken care of, because each contractor or subcontractor would deal with his separate union or unions.

Mr. KUCHEL. Where does the language say that?

Mr. GOLDWATER. That is the interpretation. It is not spelled out in each case, but I think the act itself is very plain.

Mr. KUCHEL. The words on lines 4 and 5, I will say to my friend, are "there is no history of a collective bargaining relationship between the petitioning employer."

Mr. GOLDWATER. That is correct. The language does not say "contract," it says "relationship." In other words, this language is to protect the employee on the job. The employer or the contractor cannot engage nonunion employees if they have a history of a bargaining relationship. The language does not mean there must be a contract. The language means that contractor X at some time must have bargained with or done business with union Y. This would apply to all contractors, whether they be prime contractors or subcontractors.

Mr. KUCHEL. I think what the Senator says is helpful for the legislative history, but I must say that when the words "the petitioning employer" are used, on page 65, line 5, they could very well mean a business unit which was brand new, which had never engaged in any relationship or bargaining with any labor organization whatsoever prior to that time.

I think what the Senator has said in answering these questions is an indication that, in the Senator's judgment, when the words "the petitioning employer" are used, they apply to those situations in which a business unit is created from several others, some of which may have had a history of bargaining relationships.

Mr. GOLDWATER. That is correct. The language would apply even down to the subcontractors. It is quite difficult to imagine contractors or subcontractors being in such a position, because most of them have at some time done business with a union. What we are trying to prevent is damage to the rights and privilege of the workers, either employed or seeking employment.

Mr. KUCHEL. I will say to my friend—and I am relying on an extremely faulty memory—some of the associated general contractors from the State, I, in part represent, discussed that very point a couple of years ago in the testimony they gave. As I was reading this rather lengthy amendment over quickly, this was an item I thought I should ask the Senator to discuss.

Mr. GOLDWATER. I will say to my friend from California that I participated in the original discussions of the proposal in 1953 and 1954, which were attended in part by the late Senator Taft. During those meetings, we had before us the largest contractors of the country and representatives of the large construction unions. This particular problem was discussed specifically.

Mr. KUCHEL. Yes.

Mr. GOLDWATER. This provision merits some study by the Senator from California, because in my opinion the theatrical unions are affected in a like way; and I believe the maritime unions are, also, so far as the 7-day clause is concerned.

This amendment contains a provision, not present in title VI of S. 1555, which makes it clear that a party to a contract may not be required to bargain during the life of the contract with respect to any condition of employment. This is designed to correct interpretations of the present law under which, upon a demand of either party to a contract, the other party may be compelled to bargain with respect to terms and conditions not expressly covered by the contract.

This proposal would promote stability in collective bargaining. It would remove an element of uncertainty in the contractual relationship which detracts from industrial harmony.

A provision of the proposed amendment would require the National Labor Relations Board to be bipartisan. It would provide that no more than three members could be affiliated with the same political party.

This is a customary requirement in the composition of regulatory agencies; it is a part of the basic laws of agencies such as the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, and the Civil Aeronautics Board. The Civil Service Commission, which compares with the Board in that it deals with employee relations, is required to be bipartisan in its composition. There is no reason for considering the Board differently in this respect.

The amendment contains a provision which would eliminate the statutory bar against voting in representation elections by replaced economic strikers. Title VI of S. 1555 contains a similar provision.

Both the amendment and title VI contain provisions, in different phraseology, authorizing the Board to conduct prehearing representation elections.

This amendment and the present title VI both contain provisions authorizing the President to designate an Acting General Counsel of the Board in the event of a vacancy in that office which cannot quickly be filled. Here again, the language of the provision in the present title VI is acceptable as a substitute for mine, if it is so desired.

Mr. President, I do not think that these differing amendments of the Taft-Hartley Act are nongermane to the pending legislation. On the contrary, certain amendments to the act are essential if the legislation is to be effective. Any legislation which fails to amend the Taft-Hartley Act so as to tighten the secondary boycott provisions, to eliminate blackmail picketing, and effectively to deal with the "no man's land" problem is no more than a half measure.

Mr. President, these amendments of the Taft-Hartley Act are eminently germane but let us have amendments which will help carry out the task of cleaning out corruption and racketeering in labor-management relations.

Mr. President, we should substitute for title VI of the pending bill as a package the administration proposals of title V of S. 748. We will be doing the constructive thing by accepting this amendment, because the administration proposals, for the reasons I have stated, are far preferable to the provisions of title VI.

The motion to strike out title VI was made because its provisions are considered only sweeteners to induce hurried passage of the bill. Title V of S. 748, on the other hand, is a fair and balanced program to assure true labor reform.

In closing, Mr. President, I should like to remind my Republican colleagues that what I have been proposing this afternoon, and what the distinguished Senator from Illinois, the minority leader, has proposed in the way of a substitute, is the language of the administration's bill. I repeat what I said at the start: If a Senator voted against the Ervin amendment he can vote for this amendment, and if he voted for the Ervin amendment he can vote for this amendment, in good conscience.

Mr. KENNEDY. Mr. President, how much time does the Senator from Arizona have remaining?

The PRESIDING OFFICER. The time allotted to the Senator from Arizona has expired.

Mr. KENNEDY. And we have 57 minutes remaining?

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Has all my time expired? I do not believe I have used all my time.

The PRESIDING OFFICER. The Senator is correct. On the Dirksen amendment the Senator has an additional 20 minutes remaining.

Mr. KENNEDY. Mr. President, I am prepared, if it is agreeable to the Senator from Arizona, to yield back all but 5 minutes of our time, if the Senator from Arizona will do the same, if we may have a quorum call without the time being charged to either side.

Mr. GOLDWATER. The only objection the junior Senator from Arizona would have to that suggestion is that the Senator from South Dakota [Mr. MUNDT] wanted to address himself to this subject. I think he wanted 10 minutes.

Mr. KENNEDY. Is the Senator from South Dakota prepared to speak now?

Mr. GOLDWATER. I cannot speak for him. I have not seen him for about an hour. I think we can find him.

Mr. KENNEDY. Mr. President I ask unanimous consent that I may suggest

the absence of a quorum and that the time taken to call the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I send to the desk four amendments, proposed in my Senate speech yesterday, which, in my opinion, are imperative to correct certain inadequacies and deficiencies in the so-called Kennedy-Ervin bill.

The PRESIDING OFFICER. The amendments will be printed and will lie on the table.

Mr. MUNDT. Mr. President, I yield myself 10 minutes, if I have such authority.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KENNEDY. What is the question?

Mr. MUNDT. I am trying to establish that I have 10 minutes. I will take it from the time allotted to the Senator from Illinois [Mr. DIRKSEN].

Mr. KENNEDY. Very well.

Mr. MUNDT. Mr. President, yesterday in discussing the pending labor legislation, and specifically the Ervin amendment, I urged that the Senate vote for the Ervin amendment to strike title VI, because it seemed to me that our major responsibility was to write labor reform legislation, devoid of extraneous material, and adequately written to provide the necessary correctives for the type of abuses being exposed by the McClellan committee. I wanted this to be essentially a bill to correct the abuses disclosed by our Senate Labor Rackets Committee.

However, the Senate has overwhelmingly voted to keep title VI in the bill. That means that we now have before us, for the remainder of the debate, the whole gamut of problems confronting the labor-management situation.

As I have stated, there were certain phases of title VI which I thought were good legislation, which I am happy to support, although I feel that by cluttering up the labor reform legislation by the extraneous items now in the bill, we tend to defeat the major purpose and the major responsibility of the Senate in dealing with racketeerism, corruption, and arrogant power in the labor union movement.

That, however, is a part of the debate which has been decided by a yea-and-nay vote. Consequently, since we are to consider Taft-Hartley amendments, and since we are to consider amendments which are not germane to the problems of corruption and racketeerism, I speak in support of the Dirksen substitute, because it seems to me that in several ways it is a better approach and a better piece of legislation than is title VI.

In addition to the fact that by the decision of the Senate title VI is taken out of the jurisdiction of the blue ribbon panel which presumably will study and report on the Taft-Hartley amendments, it seems to me that this diversionary approach now places before us the heavy responsibility of determining just what Taft-Hartley amendments are necessary to improve the labor movement.

It seems to me that the provision dealing with the judicial "no man's land," as it is found in the Dirksen substitute, is far superior to the committee provisions, because it gives definite jurisdiction to the State courts and the State labor boards in those cases in which the NLRB fails or refuses to assert jurisdiction.

In other words, it preserves the rights of States, the autonomy of States, and moves further in the direction of clearing up the no man's land instead of perpetuating it merely by presenting another decision to be made by the National Labor Relations Board, which is already overcrowded with work and overloaded with decisions which it has difficulty in reaching.

The Kennedy-Ervin provision in title VI would eliminate State courts so far as concerns hearing any labor cases, and would require instead the establishment of State labor boards to operate under Federal mandates. Only 12 of the 50 States in the Union now have such boards. Consequently the proposed legislation would be effective in only 12 States, unless, by Federal coercion and compulsion, other States were compelled to do something which, in their own good judgment, they have not done heretofore, namely, to create State labor boards.

The Dirksen substitute provides in the no man's land provision that State courts shall have jurisdiction, and that if the National Labor Relations Board fails to act the authority shifts to the State, where it can be implemented in conformity with the desires and attitudes of the citizens of our respective States.

The administration provision, as exemplified in the Dirksen substitute with regard to the no man's land, is in line with recommendations made by the McClellan committee in its interim report of a year ago. It is also in line with the recommendations of the Secretary of Labor, Mr. Mitchell. I feel it should be substituted for the language in title VI of the Kennedy-Ervin bill.

Mr. President, I also favor the Dirksen substitute approach dealing with prehire agreements in the building-construction trades. The Dirksen substitute requires that a history of collective bargaining between the employer and the union be present before the certification requirements of the Taft-Hartley Act may be ignored. It also provides for greater protection to the union members against job-referral discrimination.

The whole subject of prehire agreements is one in which there is considerable controversy and considerable misunderstanding. Some building-trade unions feel this is very important to the success and protection of their members. Some contractors and builders are of that opinion also, while others definitely hold the contrary point of view. However, if we are to follow the philosophy which, in my opinion, should govern our decisions in this legislative approach to meet the problems disclosed by the McClellan hearings, we should keep in mind constantly the desires, the freedom, and the independence of the trade-union members, and to give these trade-union members the maximum protection, and to provide that protection as well to the employer and to the general public. It seems to me obvious that the proposal for the prehire agreements as incorporated in the Dirksen substitute is an optimum approach as compared with the manner in which it is handled in title VI in the bill now before us. The Dirksen approach protects the rights of workers; the Kennedy-Ervin approach protects the powers of labor leaders.

The Dirksen substitute will continue in force the standards and criteria established by the National Labor Relations Board in the Pacific Mountain case for union hiring halls in the building and construction trades. On the other hand, the committee bill has the effect of overruling this protective decision of the Board.

Secondly, Mr. President, as one who voted for the Ervin proposal to strike title VI from the bill, so that we could have a clean piece of proposed legislation dealing with the establishment of democratic rights and the protective action required to eliminate racketeerism and corruption from labor unions, and who now finds himself, as do other Senators, dealing with the whole pattern of performance insofar as labor-management relations are concerned, I urge strongly now that we accept the Dirksen substitute. It does those things which are desired to be done in an optimum manner.

It does them in the manner recommended as appropriate by the Secretary of Labor, Mr. Mitchell.

In addition, it deals with two important factors entirely overlooked by title VI as it is now before us. It does something effective from the standpoint of blackmail picketing. Over and over again, before our committee, witness after witness has said if there were a Federal law effectively administered against blackmail picketing, we could eliminate much of the source of corruption and of abuse of power. In addition, we would take away the opportunity of a corrupt labor boss or, at times, a racketeer masquerading as a labor boss, from holding a loaded pistol at the head, sometimes of an employer and sometimes of the employees, to coerce human beings to do things against their will, by the utilization of blackmail picketing.

The provisions contained in the Dirksen substitute provide adequately for a continuation of picketing when it has to do with the legitimate aspirations of men and women to become union members and to develop for themselves a union contract with an employer.

The second big loophole which is plugged by the Dirksen proposal, as

against the deficiencies which are contained in the provisions of title VI in the bill, is the fact that it does something in the field of secondary boycotts. In a reasonable and rational manner it gives the employers and employees alike protection against the promiscuous use of secondary boycotts.

It seems to me that if we are to legislate at all in the general field of labor legislation the Senate would be notoriously derelict in its responsibilities if it eliminated action in the two fields where, after 24 months of expensive investigation, the evidence is clear that corrective legislation of that kind is required.

The PRESIDING OFFICER. The 10 minutes of the Senator from South Dakota have expired.

Mr. MUNDT. Very well. I conclude by urging my colleagues to support the Dirksen substitute for title VI, inasmuch as we have now decided to enter into the activities of general labor legislation.

Mr. GOLDWATER. Mr. President, I yield 1 minute to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I offer an amendment to the Dirksen substitute for title VI. I send it to the desk and ask unanimous consent that the reading of the amendment be waived and that it may be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, offered by Mr. CURTIS, is as follows:

On page 65, between lines 11 and 12 of the bill S. 748, it is proposed to insert the following new subsection:

"(c) Nothing contained in the foregoing subsections shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law."

Mr. CURTIS. Mr. President, my amendment lifts language from the Kennedy bill and places it in the Dirksen substitute. That language protects State right-to-work laws. I am wondering whether, without further discussion, the distinguished Senator from Arizona would accept my proposal as an amendment to the Dirksen substitute. The language is contained in the committee bill. I wonder whether he will accept it in connection with the substitute.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may be allowed to accept the amendment to the substitute, proposed by the Senator from Nebraska.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

VALUE OF U.S. BONDS

Mr. GORE. Mr. President——

Mr. KENNEDY. Mr. President, I yield such time as the Senator from Tennessee may require.

Mr. GORE. Mr. President, on yesterday the market value of U.S. Government bonds experienced a further sharp decline. Twenty-one issues hit new lows for the year and many of them represented alltime lows. Two and one-half percent bonds were bid at 83 30/32.

Mr. President, the bond prices as quoted on the New York market yesterday reflect billions of dollars of losses to those who hold these bonds. The total par value of outstanding marketable bonds is $84.19 billion. On the basis of bid prices quoted in today's issue of the New York Times, the market value of these bonds as of yesterday was $76.98 billion, which is $7,207,000,000 below par.

Those who purchased these bonds at par value were purchasing a solemn obligation of the United States, and thereby expressing their faith in the credit of the United States. The enormous losses reflected in the current market value of these bonds are due in large measure to the monetary and credit policies which have been followed by the administration.

Already during this month, the month of April, holders of Government bonds have lost an additional $350 million. These are further losses on the market since March 31.

Mr. President, this is a serious matter. Only 3 weeks ago, on the floor of the Senate, I warned the Senate, the country, and the Government that, unless the policies were altered and unless action to remedy the damaging situation were taken, we could expect further depreciation and further devaluation of the bonds of the U.S. Government. We are experiencing such devaluation almost daily. Yesterday, 21 issues sold at lows for the year, many of them at lows for all history.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN] as amended.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes. I am opposed to the amendment offered by the Senator from Illinois. It is an extremely far-reaching amendment. If it were adopted, it would be impossible for any Senator to offer amendments dealing with picketing, secondary boycotts, no man's land, prehiring agreements, or the building trades, all of which are extremely controversial and should be the subject of individual action by individual Senators.

If the amendment of the Senator from Illinois were agreed to such amendments as I have indicated would then be in the third degree and thus the Senator from Arkansas [Mr. MCCLELLAN] and other Senators would be precluded from offering amendments which are the result of long preparation.

I point to two amendments which I think indicate the careful consideration which this matter should have. The amendment offered by the Senator from Illinois, as I understand, repeals the Denver Building case. If adopted, it would permit picketing to be practiced on a site against nonunion persons being hired. That in itself is an extremely substantial amendment, one which I am certain Senators would want to consider very carefully. It is not a part of our bill. We do not go that far in relaxing the picketing sections of the Taft-Hartley Act.

Second, the committee has rewritten the section with respect to prehearing elections. The amendment offered by the Senator from Illinois does not provide for at least 30 days in which both parties can present their viewpoints. A request might be made for an election, such as occurred in the days right after World War II, and the election might be held in 2, 3, or 4 days, a so-called quickie election. We requested the representatives of the chamber of commerce to rewrite that section so as to provide for a hearing by the National Labor Relations Board, and that there should be at least a 30-day interval between the request for an election and the holding of the election. That is denied in the amendment offered by the Senator from Illinois.

The amendment of the Senator from Illinois would make all other amendments to those categories amendments in the third degree and out of order, although they deal with subjects which have far-reaching effects.

I hope the Senate will decide to consider such amendments one by one on their merits, rather than by having them all lumped together.

Mr. DIRKSEN. Mr. President, I yield myself not to exceed 3 minutes. Let me make three answers to the distinguished Senator from Massachusetts.

First, in connection with his expression of solicitude about organizational picketing and secondary boycotts, proposals on those matters were presented in the committee, and all of them were rejected. We can well understand that the Senator from Massachusetts will be against every one of those amendments if they are offered individually.

Second, I answer the Senator from Massachusetts by saying that all the recitals he has made are covered by the substitute, including provision to fill vacancies in the office of the General Counsel of the National Labor Relations Board; secondary boycotting; prehiring agreements so far as the construction industry is concerned, and organizational picketing. Everything of that nature is contained in the amendment in the nature of a substitute. So if the substi-

tute is adopted, obviously we will have in the bill those proposals which have the greatest appeal to the country and on which Senators have received a great amount of mail over a long period of time.

The third answer I make is that the administration bill was carefully prepared over a long period of time by experts in the Department of Labor. It has the approval and the sanction of the Secretary of Labor and the President of the United States. It is the administration bill and was introduced as such. Let no one for a moment think there will be any relenting in the effort to knock down every amendment dealing with these great challenges on the labor front, notably blackmail picketing, secondary boycotts, and the other items which are contained in the amendment.

If Senators want all these items in one package, here it is. It represents the viewpoint of the present administration. With that statement, I am content to rest my case.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Illinois will yield back the remainder of his time.

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois in the nature of a substitute, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART (when his name was called). On this vote I have a pair with the senior Senator from Minnesota [Mr. HUMPHREY]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore I withhold my vote.

The Chief Clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Delaware [Mr. FREAR] and the Senator from Rhode Island [Mr. GREEN] are absent because of illness.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

The result was announced—yeas 24, nays 67, as follows:

YEAS—24

Allott	Cotton	Lausche
Beall	Curtis	Martin
Bennett	Dirksen	Morton
Bridges	Dworshak	Mundt
Bush	Eastland	Prouty
Butler	Goldwater	Saltonstall
Carlson	Hickenlooper	Schoeppel
Case, S. Dak.	Hruska	Williams, Del.

NAYS—67

Aiken	Bartlett	Byrd, Va.
Anderson	Bible	Byrd, W. Va.
Cannon	Javits	Muskie
Carroll	Johnson, Tex.	Neuberger
Case, N.J.	Johnston, S.C.	Pastore
Chavez	Jordan	Proxmire
Church	Keating	Randolph
Cooper	Kefauver	Robertson
Dodd	Kennedy	Russell
Douglas	Kerr	Scott
Ellender	Kuchel	Smathers
Engle	Langer	Smith
Ervin	Long	Sparkman
Fulbright	Magnuson	Stennis
Gore	Mansfield	Talmadge
Gruening	McCarthy	Thurmond
Hart	McClellan	Wiley
Hartke	McGee	Williams, N.J.
Hayden	McNamara	Yarborough
Hennings	Monroney	Young, N. Dak.
Hill	Morse	Young, Ohio
Holland	Moss	
Jackson	Murray	

NOT VOTING—7

Capehart	Green	Symington
Clark	Humphrey	
Frear	O'Mahoney	

So, Mr. DIRKSEN'S amendment, as amended, was rejected.

Mr. KENNEDY. Mr. President, I move that the vote by which the amendment of the Senator from Illinois [Mr. DIRKSEN] was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Washington [Mr. MAGNUSON].

REPEAL OF TRANSPORTATION TAX SOUGHT

Mr. MAGNUSON. Mr. President, the leadership furnished by the Senate during the 85th Congress in effecting the repeal of the 3-percent tax on transportation of goods is well remembered.

Remembered as well is the Senate's vote to terminate the 10-percent tax on domestic transportation of individuals. Unfortunately, the repeal of this tax was lost in conference.

Now comes a reminder from the American Automobile Association pointing out how essential it is that this tax be repealed as well.

I ask unanimous consent to have printed in the RECORD at this point a recent news release issued by the AAA.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

AAA LAUDS SMATHERS' TAX REPEAL MEASURE

WASHINGTON, D.C., April 8.—Reaffirming its long-established policy opposing Federal taxes on the travel of persons, the American Automobile Association's executive committee, convening at Miami Beach yesterday, lauded Florida Senator GEORGE SMATHERS for his efforts to obtain congressional repeal of the 10-percent domestic transportation tax.

SMATHERS recently introduced a bill (S. 5) calling for repeal of the levy which he termed "regressive, discriminatory, and outdated." The tax produces approximately $220 million annually for the Federal Treasury.

Commenting on the measure, AAA President Frederick T. McGuire, Jr., of Cleveland, said:

"AAA believes that any tax on travel not only is a deterrent to travel, but an unreasonable levy on the users of common carriers. The 10-percent tax on transportation tickets was imposed during the war for the purpose of discouraging civilian use of the carriers so that they could be utilized to the maximum degree for the benefit of the war effort. The necessity for the tax no longer prevails."

McGuire added that Senator SMATHERS' bill, while having some feature of a tax relief measure, has as its primary purpose the strengthening of the Nation's transportation economy.

"Since the tax is deductible as a business expense," McGuire stated, "it reduces taxable income. In this sense, the existing tax is self-defeating as a source of Federal revenue. It is paradoxical that we should continue a tax designed to discourage travel at the same time we are seeking means of strengthening our economy and encouraging expansion of our national transportation system."

THE AMERICAN MERCHANT MARINE

Mr. MAGNUSON. Mr. President, the American Merchant Marine, in company with the shipping of all the world, is having its troubles. Foreign trade is down, and cargoes are scarce. World tonnage is far in excess of current needs. As a result, freight rates are down to the point where U.S. flag vessels find it difficult, if not actually impossible, to be competitive.

To cap it all, certain shipping conference agreements, under which our shipping has been able to work cooperatively with their foreign competitors, have been questioned by the Supreme Court. The problems thus created must be resolved before temporary "status quo" legislation enacted last year expires on June 30, 1960.

It is a matter of urgent importance to the great maritime industry of our country, one that merits the most thorough attention of all Members of this body.

I ask unanimous consent that a statement prepared by me be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

I refer to the question of steamship conference dual rate agreements, concerning which concurrent studies are being conducted by the House Judiciary Committee and the House Committee on Merchant Marine and Fisheries. The Senate Interstate and Foreign Commerce Committee is actively following these hearings, and will start its own hearings when they will serve a constructive purpose.

The term "dual rates" refers to contractual agreements between the steamship conferences and exporters of this and other lands, under the terms of which a lower freight rate is made available to shippers who agree to use, and do so use, conference vessels exclusively.

This system has been known as dual rate, contract-noncontract, shipper's rate agreement, etc. But whatever the name, it is an exclusive patronage plan whereby the shipper, who agrees to ship exclusively on the conference serving a particular trade route, benefits from a lower freight rate. This enables the conference carriers to arrange their schedules and plan their sailings so as to avoid a concentration of tonnage capacity at the peak season and little or no tonnage at all when cargo availability is lower. One of the real benefits of this system is to the smaller shipper whose cargoes may not arrive at dockside when there is the peak tonnage available. The conference system guarantees him service when

the amount of his cargo would not justify an independent operation continuing.

Dual rate and conference systems tend to flatten out rates to a point where they are constant over periods of peak tonnage and low tonnage. This is confirmed by the experience prior to the act of 1916 and in the Japanese-Atlantic Conference since the Supreme Court held that dual-rate illegal. In each case there were enormous rate vacillations, demoralizing to both carriers and shippers.

These conference agreements have been authorized by statute since 1916. They were written into law by the Congress, after a thorough study by a special House committee established for the purpose. They were authorized on the ground that they afforded the only feasible basis upon which vessels of various nations, competing on particular trade routes, could avoid the recurring freight rate wars that had plagued the maritime industry throughout the years.

The Merchant Marine Act of 1916 specifically provides that the Federal Maritime authorities may by order disapprove, cancel, or modify such conference agreements, but when and as long as they are approved the agreements are excepted from certain antitrust statutes.

On May 19, 1958, however, the United States Supreme Court, by majority opinion, declared illegal the dual-rate system of the Japan-Atlantic and Gulf Freight Conference, finding that this particular agreement was a predatory device aimed at a particular competitor. A dissenting opinion said the practical effect of the decision was to hold all dual-rate systems illegal.

Between them, the Court opinions cast doubt on the legality of all such conference agreements. As a result, and because of the vital importance to United States shipping of some method of achieving stability in ocean freight rates, the 85th Congress approved legislation to declare legal until June 30, 1960, the conference dual-rate agreements then in force. This was done to preserve the status quo while opportunity is afforded for study and possible resolution of the problem.

The current investigations of steamship conference policies, including dual rates, is long overdue. It has been more than 40 years since Congress has looked searchingly into operations in this highly competitive sphere. Few areas of law have gone this long without check or revision. I hope that when the Senate does consider the matter there will be full understanding of the complexities inherent in these cooperative efforts on the international level.

Whatever the merits of the cases for and against the continued operation of the dual-rate system, I request the Senators to keep informed as much as possible; for we will in the not too distant future be called upon to decide this highly important question, affecting trade and commerce as well as defense and foreign relations.

The carriage of oceanborne commerce is an industry characterized by a very high capital investment, large fixed operating costs, and the obligations and responsibilities of the common carrier. There is, in addition, intense competition fired by easy market access and an oversupply of carrying capacity.

When the Senate Interstate and Foreign Commerce Committee studies the dual-rate system, we will concern ourselves with concrete facts and documented economic surveys based on logic and free of the emotions frequently attendant on a study of such great significance in the transportation field. Our aim is to preserve rate stability and service frequency with whatever wise limitations and regulations are dictated by the past experience of shippers, carriers and consumers.

EVENING SCHEDULES FOR INFORMATIVE PROGRAMS

Mr. MAGNUSON. Mr. President, two informative programs, well known to the American public, "The American Forum of the Air" and "Youth Wants to Know," have had evening schedules this season.

This has made both programs available to a larger potential audience than was possible when they were telecast Sunday afternoon in previous seasons.

Westinghouse Broadcasting Co. and Theodore Granik have worked to make this possible.

Westinghouse has recorded by video tape both "The American Forum of the Air" and "Youth Wants to Know," distributing them to television stations throughout the Nation so that they could be seen regularly, on a once-a-month basis.

Several of the Members of the Senate have already appeared in this new series. The Senator from Oregon [Mr. MORSE] and the Senator from Arizona [Mr. GOLDWATER] opened the new series, discussing the need for labor legislation, and during the past week the Senator from New York [Mr. JAVITS] and the Senator from Georgia [Mr. TALMADGE] discussed the controversial civil rights proposals pending before the Senate. On "Youth Wants to Know" the guest was a member of the Senate Foreign Relations Committee, the Senator from Minnesota [Mr. HUMPHREY], who was questioned by high school students regarding his recent trip to the Soviet Union.

Evidence of the acceptability of this new scheduling is presented in a recent article in Radio-Television Daily, in a story entitled "WBC Will Syndicate Granik Taped Shows." I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WBC WILL SYNDICATE GRANIK TAPED SHOWS

The two 30-minute programs, "American Forum of the Air" and "Youth Wants To Know," will be placed in videotape syndication for TV stations across the country later this month by the Westinghouse Broadcasting Co., it was announced yesterday by Donald H. McGannon, president.

Both programs, as well as a radio version of "American Forum of the Air," are being produced by WBC in cooperation with Theodore Granik, founder of both programs. They will be aired by WBC stations with the first "American Forum of the Air," scheduled for presentation sometime during the week of February 23, which thereafter will alternate the first and third week of each month with "Youth Wants To Know."

A separate half-hour presentation of "Forum" will also be carried by WBC radio stations on a 52-week basis beginning the first of March. This, too, will be syndicated to radio stations from coast to coast.

PRIME NIGHT SHOWS

WBC will place all programs in prime evening times, between 7:30 and 10 p.m.

In addition special report programs on major contemporary problems on the American scene, with a combination of both discussion and documentary-type formats, will be offered twice a year by each of the TV programs. At present, these are not included in syndication plans but they are likely to be in the future.

One of the factors behind the program projects, Mr. McGannon said, was a growing appetite by Americans for information and background in the crucial issues of the day. Such programing "will achieve a service beyond the present accomplishments of the networks and broadcasters."

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I will say to Senators that the Senate will stay in session long enough to accommodate any Senator who has any statement he cares to make for the RECORD, but we do not expect any more record votes or any votes of any kind this evening.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I announce that it may be necessary to have an evening session tomorrow. I should like all Senators to be on notice.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. GOLDWATER. Mr. President, I call up my amendment 4–17–59–BB and ask that it be made the pending question.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 51, between lines 11 and 12, it is proposed to add the following new subsection:

( ) "Officer" of a labor organization means any constitutional officer, any member of a board, council, committee, or other body authorized to exercise governing or executive functions with respect to such labor organization, or any official or employee of a labor organization, regardless of how selected, who exercises or is authorized to exercise any governing or executive functions in such labor organization, and includes, but is not limited to, organizers, business agents, re-

gional directors, managers, and trustees of subordinate labor organizations as well as officials designated as or performing the functions of president, vice president, secretary, and treasurer of a labor organization.

Mr. GOLDWATER. Mr. President, I do not desire to have the Senate take action on the amendment tonight, but I will hold it for action in the morning.

Mr. President, I have a statement to make on behalf of the Senator from Nebraska [Mr. CURTIS].

The Senator from Nebraska wishes to announce that he will join with the Senator from Arkansas [Mr. MCCLELLAN] in offering his amendment to outlaw secondary boycotts, which is amendment 4–17–59–C; and that he will also join with the Senator from Arkansas in offering his amendment relating to hot cargo, 4–17–59–D, and his amendment on organizational picketing, 4–17–59–A; and that the Senator from Nebraska will not offer his amendments on the same subjects.

TIMBER SET-ASIDES FOR SMALL BUSINESS

Mr. MORSE. Mr. President, I have just received a copy of a letter which Wendell Barnes, Administrator of the Small Business Administration, sent to the Portland Oregonian.

On March 22, that newspaper published an article which, in the judgment of Mr. Barnes, and in mine, too, contained numerous inaccuracies. The article questioned whether the several Government agencies involved in assuring that small business receives a fair share of Federal timber were dedicated to carrying out the spirit and intent of the law as enacted by the Congress. The Oregonian article made a very serious charge when it said, in effect, that the agencies who administer Government timber and the Small Business Administration do not want to administer the law.

I ask unanimous consent that Administrator Barnes' excellent letter of April 3 and the Oregonian newspaper story of March 22, which prompted the Barnes letter, be made a part of the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, I would only add this point: The Small Business Administration, in my judgment, is proceeding both carefully and wisely to apply to the sale of Government timber the same principles which have been so helpful over the last few years to small businesses engaged in selling their products to the Government.

There is no great mystery nor any need for confusion in the timber set-aside program. It can be well carried out, in my judgment, if the agencies involved make the proper adjustments necessary to recognize the peculiar problems of each agency. In my opinion, a number of people who really are speaking for big business have been attempting to cloud the issue on timber set-asides. It is their desire that the small businessman be forced to close down. If we close the door to the small businessman, whether it be in the timber industry or the automobile industry, not only will the American people suffer, but the entire concept of the free enterprise system will be in jeopardy.

For my own part, I intend to do all that I can to help maintain the small businessman. I am delighted that Administrator Barnes is also proceeding with this particular job in accordance with the law and in a reasonable and effective manner.

EXHIBIT 1

SMALL BUSINESS ADMINISTRATION,
Washington, D.C., April 3, 1959.

Mr. JOHN L. DENNY,
Business Editor, the Oregonian,
Portland, Oreg.

DEAR MR. DENNY: An article under your byline, entitled "Morse Plan Seeks To Reserve Timber Sales for Small Firms," which appeared in the Oregonian on March 22, 1959, has been brought to my attention.

Like all other newspapers in the United States, I am sure the Oregonian is interested in reporting facts, and that it only prints factual data as submitted to it. Apparently the source of your information for the above-mentioned article either deliberately or through error, gave you some completely inaccurate information concerning the Small Business Administration. I should like to point out these inaccuracies in your article.

First, you say that "right now nobody seems to want it [the Morse amendment]—not the agencies who administer Government timber, the Small Business Administration, or the forest industries, big and small." We believe that small companies are entitled to a fair share of the timber disposed of by the Federal Government.

Second, you say that "confusion was compounded when the Small Business Administration set out to determine what is 'small business.' At first, it was proposed that limits be placed at firms with 10 to 20 employees. This was boosted to 250 employees and a regulation issued to that effect. Later this was changed to 100 employees, where it now stands." This statement is completely inaccurate and misleading. The Small Business Administration never suggested a limitation of "10 to 20 employees." Furthermore, we did not issue a regulation defining small business in this industry as one employing 250 or less employees. We published a proposed regulation in the Federal Register, utilizing a figure of 250 employees as being the proposed line of demarcation between large and small business, and requested comments. We also submitted this proposed regulation for comment to timber associations, timber operators, Members of Congress, the Forestry Service, and the Interior Department. A majority of the comments received indicated that our proposed figure of 250 employees was too high and that a figure of 100 employees would be more realistic. This figure of 100 employees was adopted with the concurrence of the Forestry Service. There has been no "confusion" in connection with this program; we do not intend to "hire a police force" to enforce the operation of this program, and we do not intend to "attempt to control the market for set-aside logs with price-ceiling regulations."

We have proceeded in an orderly manner to implement this amendment to our act. All of our actions have been fully coordinated with the Forestry Service and the Interior Department. Our set-aside program is not unilateral. Any set-aside initiated by SBA must be concurred in by the Forestry Service or the Interior Department, as the case may be. I know of no actions taken to date which would produce the dire results predicted in your article.

In all fairness, I think your paper should give the same credence to this letter as you gave to the person or persons who supplied the information for your article, and that you should give this program a chance to operate before passing judgment.

Sincerely yours,

WENDELL B. BARNES,
Administrator.

[From the Oregonian, Mar. 22, 1959]

MORSE PLAN SEEKS TO RESERVE TIMBER SALES FOR SMALL FIRMS

(By John L. Denny)

The public forests and forest industries of the Pacific Northwest will be the guinea pigs in a new attempt to regulate the economic laws of supply and demand.

This one will be a program to reserve a portion of Government timber for sale to small business operators, as required under the so-called Morse amendment to the Small Business Act.

It's scheduled to get its first trial not long after a March 27 meeting here of representatives of the three agencies involved—the Small Business Administration, the Forest Service and the Bureau of Land Management.

PLAN NOT LIKED

Right now, nobody seems to want it—not the agencies who administer Government timber, the SBA or the forest industries, big and small.

Leonard B. Netzorg, whose Western Forest Industries Association is considered the spokesman for the "small" timber operator, expressed his opposition this way:

"We have a philosophical queasiness about adding one more agency with authority to decide who can stay in business."

It has been marked by controversy, complications and confusion from the start, when Senator WAYNE MORSE introduced the set-aside provision as a floor amendment to the Small Business Act of 1958. Netzorg's group opposed it, but Senator MORSE, attributing the opposition to the wrong organization, fired a blast at W. D. Hagenstein of the Industrial Forestry Association, which is regarded as spokesman for "big" timber interests.

The IFA, mindful of the sacred cow nature of small business and which has firms of all sizes among its membership, has taken no public position on the matter.

Confusion was compounded when the SBA set out to determine what is small business. At first it was proposed that limits be placed at firms with 10 to 20 employees. This was boosted to 250 employees, and a regulation issued to that effect. Later this was changed to 100 employees, where it now stands.

Another and still unresolved question is: How much timber should be reserved and set aside for purchase by small business? Shall the amount of the set-aside be determined on a historical basis? What area should be used—the entire region, a forest, a working circle?

SALES SHARE EYED

It has been brought out that if a moving average "historical basis" is used to determine how much timber should be set aside for small business, then the set-asides will grow progressively larger. Small timber operators have been and probably will continue to buy timber at Government sales and purchases at regular sales plus those at the set-aside sales would increase any base figures used to determine the small business share.

The SBA would have to hire a forest police force to enforce one regulation the agency had proposed to include in the set-aside program. This was an attempt to regulate customers of small operators, by requiring that logs cut by small business buyers could be sold only to small business manufacturers. But the SBA apparently

has given up on this one, after it was pointed out set-aside timber buyers would have no market for their pulp logs. There are no small business pulp and paper operators.

COMPETITORS VIEWED

Some industry members believe that the set-aside plan, in its practical application, will be of little benefit to small mill operators. They believe independent loggers will bid in most of the timber at the small business sales, and proceed to cut the timber and sell the logs for the best price they can get. In most cases the high bidder won't be a small mill operator. He can't compete with the larger integrated operator who has a barker, chipper, sawmill and veneer plant, and can afford to pay more for his logs because of higher utilization.

The SBA could, of course, attempt to control the market for set-aside logs with price ceiling regulations.

If the program succeeds in diverting a substantial volume of Government timber into small lumber mills, it will deal a serious setback to forest utilization and to the economy of the State, in the view of David Mason, widely known consulting forester.

Mason ticked off a dozen adverse effects of the program. It would, he said, reduce employment, because small mills employ fewer workers per 1,000 feet of logs processed than do larger, more integrated operations.

Reducing competition for Government timber, Mason pointed out, will reduce income of Oregon counties, who share in the receipts of Forest Service and O. & C. timber sales.

It will work against intensive utilization of timber, he said, since most smaller mills can't afford the investment in a barker and chipper.

The Morse amendment, Mason declared, can be called a law against a favorable business climate in Oregon, against sustained yield management of private timberland, and against the slow cutting of timber.

Other industry members viewed the program of giving limited utilization small operators exclusive purchase rights on Government timber as being the same as subsidizing submarginal agriculture.

ARE THE PUBLIC LANDS REALLY PUBLIC?

Mr. NEUBERGER. Mr. President, the U.S. Government has continued in public ownership two substantial land holdings for use and enjoyment of our people—the 470 million acres of public lands under the Bureau of Land Management in the Department of the Interior and the 188 million acres of national forest lands in the Department of Agriculture.

Federal officials charged with administering these lands call these areas multiple-use lands where wood production, water development, grazing, mining, hunting, fishing, and other outdoor recreation can go on side by side. But, Mr. President, full, complete multiple use is not now possible. Use by the public and management by the Government require ready and proper access to these lands. The problem of providing access to national forests and other publicly owned tracts is especially acute in Western States where a checkerboard pattern of land ownership intermingles private and Federal holdings. Today the Federal Government is not the master of all its domain. Private interests sometimes completely bar the public from these lands. In other cases private interests dictate the terms and conditions under which the general public can go on to Federal lands. In some cases private interests may retard development of these Federal lands.

The Department of Agriculture's Forest Service has applied its authorities so as to grant ingress and egress to Federal land to an adjacent private land owner despite the fact that this party refuses the Government the reciprocal right to reach its own land. Under such policy the Government lacks the right to insure that the public can get to its own resources—or that the Government can properly develop these resources for the people.

NO ACCESS MEANS NO TIMBER SALES

A recent staff study of national forest timber sales by the Senate Interior Committee showed that in the States of Oregon and Washington over 1 billion board-feet of planned timber sales were delayed or unmade in a recent period due to lack of access—lack of rights-of-way. There are many additional billions of board-feet of timber thus tied up.

Millions of dollars of revenue have been lost to the Government—opportunities for timber cutting and real multiple-use development are stalled by a lack of access.

In many other areas, according to a separate report by the Oregon State Game Commission, thousands of acres of national forests are locked up by timber and grazing interests from the hunter and fisherman.

On the Upper Deschutes River, national forest lands are barred by roads closed on private lands. On the Wallowa-Whitman Forest one landowner is actually reported to charge a fee for access to 9,500 acres of federally owned national forest.

On the lands administered by the Bureau of Land Management, a somewhat similar situation exists. Deer and grouse hunting areas, fishing streams and lakes on Federal land are barred to the sportsmen. In the Steens Mountain area, 236,800 acres of Bureau of Land Management lands are reported closed by private interests. On the O. & C. lands, logging goes forward while public access for sportsmen is often barred.

NO KING'S LANDS IN THE UNITED STATES

Mr. President, in England the people were barred from enjoying or using the King's forest. Here we have the reverse developing, some of the national forest and range is barred to the people—not by the Government but by a few of the people who live around the forest and range.

The Senator from Montana [Mr. MURRAY], chairman of the Interior and Insular Affairs Committee, has told me that he is concerned by the factual information revealed by preliminary studies in Oregon and Colorado.

He is in agreement with my request that there should be a staff study made to reveal the full dimensions of the problem. We need to know how many acres of Federal land are blocked from reasonable access. I am sure that all true conservationists, whether they be stockmen, timbermen, hunters, fishermen, or campers will be pleased to know that this problem is going to receive attention.

I should like to emphasize, so that this subject is kept in perspective, that the best unofficial estimate of Federal lands where access is not available is that the total may approximate the 14 million in national forest wilderness acres. This is an intriguing observation. The most vocal opposition to the wilderness bill has come from timber and grazing people. It will indeed be interesting to see whether some of those who have been most vocal against a wilderness bill are among those who are trying to make private reserves out of public forest and range.

SPORTSMEN MUST HEED PRIVATE RIGHTS

I do want to have it fully understood by all concerned that the problem which confronts us has two sides. The conduct of hunters, fishermen, and campers has not always been above reproach. On occasions, thoughtless persons have cut private fences, shot livestock, damaged water supplies, and started forest fires. These actions have often motivated public land livestock permittees to close their own lands and in the process to seal off valuable public lands.

Similarly, some interests have often felt that the less public use of nearby national forests, the less would be the chance of catastrophic forest fires. They have sealed off public lands along with their own.

On the other hand, many, many private owners whose lands abut public forest and range have opened not only their lands but have helped to open public land for full use and enjoyment.

The right to control trespass is basic to the concept of private land ownership. It is a right which is free from governmental interference, except through due process of law. Our review of access problems will respect this right. However, when private land ownership benefits by values derived from its adjacency to public lands, then arrangements are justified for reciprocal access. Because of the ever-increasing pressure to use public lands, we cannot permit vast areas to remain as islands of inaccessibility.

In the consideration of the basic problem I am sure the committee staff will recognize all of these factors. As a Senator with a deep interest in this problem I can assure both those who wish our forest and range open, as well as those who have been keeping parts of public land closed, that I—and I am sure the other members of the committee—will proceed carefully and judiciously.

PUBLIC LANDS MUST NOT BE BARRICADED

The first thing before us is to obtain the factual situation, and I am assured that this work will proceed rapidly. It must be determined whether existing laws provide Federal agencies with adequate means of assuring access, whether this authority is fully utilized, and whether additional congressional action is advisable.

Needless locking up of public lands by private parties who have land adjacent to our public forest and range must not be permitted. Congress recently took action to stop excessive military public land withdrawal. It is my hope that the way in which this problem was approached will be the model used for our study of this matter.

Congressional consideration of this problem will be of material assistance to the National Outdoor Recreation Resources Review Commission where we are about to start a detailed inquiry into recreational needs. Outdoor recreation on public lands requires that the lands be open. The Senator from Montana [Mr. MURRAY] has advised me that particular attention will be given to assisting the Commission in evaluating the amount of recreational use and values that may be involved.

Finally I would say the constructive suggestion of all interested groups will be welcomed by the Senate Interior and Insular Affairs Committee so that we may obtain the benefit of well-considered views on reasonable and fair solutions.

I ask unanimous consent to have printed with my remarks an article entitled: "The Problem of Access to Public Lands," which was published in the January 15, 1959, issue of Conservation News of the National Wildlife Federation; and a report from the bulletin of the Wildlife Management Institute of January 16, 1959, entitled "Free Access to Public Lands Blocked."

There being no objection, the article and report were ordered to be printed in the RECORD, as follows:

THE PROBLEM OF ACCESS TO PUBLIC LANDS

Something of a furor was raised in central Oregon this past fall over advertised plans of a group of ranchers to permit deer hunting on a fee basis over some 1 million acres of land. Many sportsmen's groups and the Oregon Game Commission went on record in opposition to the system, partly because it failed to recognize the right of all citizens to share equally in utilization of the State's wildlife resources and, in addition, because some public lands in Federal ownership were interspersed among the privately owned territory being advertised for fee hunting.

Reports indicate the fee-hunting plan was something less than a spectacular financial success, yet the incident does serve to point up a major problem—right of the public to enjoy access to, and use of, public lands for lawful recreational purposes.

The situation, largely concentrated in the 11 Western States but applicable to some degree all over the Nation, perhaps is best illustrated in Colorado. A survey just completed by the game and fish department and submitted to a State legislature interim committee reveals that 1½ million acres of public land in Colorado is controlled by private interests: farmers and ranchers, lumbering and mining companies, resorts and even municipalities. Members of the public can reach this land only by going across private property (sometimes for a fee, sometimes free, sometimes access is totally denied) or by detouring around at a considerable distance. Some Federal property is completely encircled by private holdings.

The final report covered 149 separate areas in 28 Colorado counties. The total public acreage controlled by private groups came to 1,462,738 acres or 12.7 percent of the total public land area in the counties surveyed. From another angle, the study involved 10,788,402 acres, or 78.7 percent of Colorado's national forests. Of this total, 80 percent (8,695,357 acres) was considered to provide good hunting and/or fishing. There were 120 separate areas where the public was denied access to 1,038,190 national forest acres, or 12.1 percent of the total.

Public land access problems in Colorado are applicable, to a considerable extent, throughout the West.

In all, the Federal Government has some 406 million acres of land exclusive of extensive holdings in Alaska. This huge area is broken down for administration into: National forests, 161 million acres; national parks and monuments, 17 million acres; national wildlife refuges, 10 million acres; military reservations, 25 million acres; and public domain, including grazing districts, 193 million acres. National forests, administered by the U.S. Forest Service, Department of Agriculture, are dedicated to multiple use, including recreations such as hunting and fishing. National parks, administered by the National Park Service, Department of the Interior, are dedicated to recreational and educational use, except hunting. National refuges, administered by the U.S. Fish and Wildlife Service, Interior Department, are dedicated to the preservation of wildlife and some provide recreational possibilities, including hunting and fishing. Military reservations are administered by the Department of Defense and offer limited public recreational opportunities, including hunting and fishing, depending upon the type of basic activity and national security. Public domain, administered by the Bureau of Land Management, Interior Department, comprises the Federal properties which were left after the other lands were withdrawn for special uses.

The public access problem primarily concerns national forests and public domain lands. Each type of land has its own particular problems.

Speaking in generalities, many national forests are located in scenic but rugged mountain territory. Public domain lands constitute desert lands, plateaus, mountains, and odds and ends of Federal real estate, including huge tracts in Alaska.

Public domain property perhaps offers the most acute access problems. Whereas national forests were usually withdrawn or purchased in blocks, they are somewhat more easily administered than the public domain properties which often are widely scattered among more valuable land which was homesteaded, mined or claimed for other purposes. Many public domain lands are rocky outcroppings, canyons and gulches or other unwatered areas of little or no value.

Access to public domain land and national forests is a thorny problem. The areas are so widely scattered and isolated that it is uneconomical to mark boundaries or to fence the properties. Even though State wildlife agencies are providing access to some areas, all cannot be opened in this manner. The Federal agencies understandably are reluctant to resort to condemnation procedures to insure public access to public property but this approach may, in the final determination, offer the only possibility. The Federal Range Code prohibits interference with licensed hunters or fishermen to enter, and to hunt and fish on the Federal range covered by such license or permit but many access roads are on private lands.

Admittedly, hunters and fishermen sometimes create damage and dismay for private landowners, but there also is another side to the coin. Denying entry prevents application of good wildlife management practices. It does not allow for proper harvest of such big game animals as deer and elk. When these animals come down to lowlands during the winter, they damage both public and private lands and, by their excessive numbers, create added problems.

Another problem resulting from denied access is one common to all posted property. Whenever hunting and fishing areas are withdrawn from use, greater and greater demands are made upon those still open. In some parts of the West the hunting and fishing pressures for certain forms of wildlife are not so great that, if scattered equally over larger areas, they would be harmful. The concentration problem, however, becomes more acute each time another area is blocked out from proper use.

As an expanding population gains more and more leisure time, increased demands will be made for recreational areas as well as for livestock. Problems of conflict over use of public lands are bound to result. Perhaps the time has come for a reappraisal of public benefits to be derived from public lands and the administration of these properties. Such a reappraisal may reveal the need for basic land-use law revisions.

FREE ACCESS TO PUBLIC LANDS BLOCKED

Nearly 10 percent of the public lands in Colorado is unavailable to hunters, fishermen, and other recreationists, according to the Wildlife Management Institute.

A State fish and game department report being studied by a special committee of the Colorado Legislature shows that persons wishing to recreate on about 1½ million acres of public lands in 28 counties either are denied access or must pay a fee before crossing the intervening private holdings. Entry to the huge acreage is blocked by 233 farmers, ranchers, municipalities, and mining and timber groups.

The report is complete in detail. It names those who deny access and gives the location of the contested public lands and the acreages involved. It is evident that sportsmen are being deprived of access to some of the State's best hunting and fishing areas. What's more startling, of course, is the revelation that the public is being refused and, in some cases, actually is being forced to pay a fee in order to use its own property.

The Colorado report undoubtedly will stimulate similar inquiries in other western public land States. National forests and public domain lands provide unparalleled big game hunting opportunity in the West, and sportsmen will want to make sure that unnatural restrictions do not hamper their historic use of those lands. The main philosophy of the Colorado report is not to force access to public lands but rather to point out the magnitude of the problem and to provide a factual basis for its equitable solution.

The report has another interesting aspect. Some of those who block hunting access have, over the years, submitted one or more claims to the game department for payment for loss of hay to deer and elk. Although sportsmen are not given the opportunity to harvest the big game, the Department is expected to pay damages caused by the overabundant animals. Some of the claims have amounted to $4,500. They are being paid with money taken from the hunters' license fees.

CHRISTIAN A. HERTER, SECRETARY OF STATE

Mr. COOPER. Mr. President, the unanimous approval by the Senate today of the nomination of Mr. Herter to be Secretary of State bespeaks the confidence of this body in Christian Herter.

I know it is a confidence which is shared by the Nation.

I am glad I had the opportunity to vote for the confirmation of the nomination of Mr. Herter. My confidence in Christian Herter is solidly based on his long experience in national and international affairs, on his courage, on his good judgment, and on his fine qualities of mind and heart.

I am sure also that the approval which has been given today will be more than justified by the actions of Mr. Herter in his new position of Secretary of State, and that he will, in the new opportunity afforded him render the same great service and show the same devotion to our country he has heretofore demonstrated.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ANDERSON. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.), in accordance with the order previously entered, the Senate adjourned until tomorrow, Wednesday, April 22, 1959, at 11 o'clock a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 21, 1959:

DEPARTMENT OF STATE

Christian A. Herter, of Massachusetts, to be Secretary of State.

EXTENSIONS OF REMARKS

Today's Challenge, and How To Meet It

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Tuesday, April 21, 1959

Mr. BRIDGES. Mr. President, on April 17, 1959, there was a speech given by the Honorable Arthur E. Summerfield, Postmaster General of the United States, before the Los Angeles Merchants and Manufacturers Association dinner, entitled "Today's Challenge, and How To Meet It."

Mr. Summerfield, in this speech highlights the Communist threat to our national safety and our battle against inflation. It was an outstanding address and deserves to be called to the attention of every Member of the Congress and every citizen of our country; therefore I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TODAY'S CHALLENGE, AND HOW TO MEET IT

(Address by Hon. Arthur E. Summerfield, Postmaster General of the United States, before the annual dinner of the Los Angeles Merchants and Manufacturers Association, Los Angeles, Calif., April 17, 1959)

It is always a great pleasure for me to be in Los Angeles.

I am always inspired by the vitality of this great city—and, indeed, of all California and the Pacific coast.

All my life, I have thrilled to the story of the winning of the West.

It is one of the great adventures of all mankind—the westward sweep of the pioneers, the gold rush, the pony express, the constant blazing of new frontiers.

I stand in awe of the courage and strength and faith of the Americans who lived this tremendous story.

Nothing could stop them from gaining the better life they saw for themselves and their children.

They left a magnificent heritage for you—for all Americans—to ponder and to uphold.

California today is a monument to their vision.

You are on the way to becoming our most populous State.

You have assumed great responsibility in economic and political leadership.

You face opportunities that are virtually unlimited in scope.

But this you also know—that the very essence of real opportunity is challenge.

And because the meeting of today's challenge is so fundamental to the progress you would make—so basic to the ends we must achieve as a nation—I am deeply anxious to talk with you about it.

I want to bring to you, tonight, a clear picture of the urgent nature of the challenge we face, and how we can meet it.

I want to speak to you—not only as your Postmaster General, but as a member of President Eisenhower's Cabinet and a member of the President's Cabinet Committee on Price Stability for Economic Growth.

I come with firsthand knowledge of the problems facing our Nation, and the steps your Government is taking to solve them.

But I come with more than a report.

My purpose, above all, is to talk with you about action.

For, my friends, we are at an extremely crucial stage in the progress of America.

We have a choice of paths to follow.

We have momentous decisions to make.

The ultimate responsibility for these decisions is with the American people.

And I am confident that, if the people apply their real genius, and determination, and devotion—the final decisions will be the right decisions.

There are four specific problems I should like to discuss—and then, if I may, I should like to suggest the vital part you can play in meeting each of them.

They are:

1. The Communist threat to our national safety.

2. Our battle against inflation.

3. The destructive monopoly power of a group of union leaders.

4. The urgent necessity for tax reform.

All of these, of course, are interrelated.

Our national defense depends upon a strong economy—and our economy is acutely responsive to what we do about inflation, about production costs and prices, and about taxation.

The Communist challenge is many sided.

It is military, political, spiritual and economic.

We and our allies have steadily rebuffed the military and political threats.

Wherever the Communists have probed, they have found us standing firm.

At Lebanon, in the China Sea, in the unity of our NATO alliance—and now in the Berlin issue—we have met the challenge with unmistakable evidence of the strength of our purpose.

We shall continue to keep our military power equal to any test.

Our overall might in planes, missiles, ships, and other equipment, must always be capable of deterring, and if ever necessary, defeating, any attack upon us.

We shall continue to meet the Soviet political challenge.

We shall lead the way in exploring every avenue of reasonable hope for justly solving the issues that divide the world.

In the battle of spiritual values, we cannot lose so long as we preserve the freedom and moral strength on which our way of life is built.

The Soviets know all this very well.

Why, then, are they confident of ultimate victory?

Because they are concentrating on all-out economic war—and they believe they can defeat us in such a war without risking their own total destruction.

They intend to become the world's one first-class economic power, forcing us into second-class status. And for us, such an outcome would be just as tragic as nuclear devastation.

Today we are well in front. But they believe we have not the system or the will to maintain our economic strength and growth.

They expect our economy to explode, while theirs continues to grow.

My friends, let me emphasize that we dare not look lightly on their great expectations.

For here we do indeed stand at the crossroads of decision.

The soundness of our economy is threatened by deadly forces that have wrecked other nations in the past.

They are the forces of inflation and onerous taxation—and we are not yet united as a people to overcome them.

I suggest to you that there is urgent reason for us to do so.

As Allen Dulles, Director of the Central Intelligence Agency, said recently:

"If they, the Soviets, succeed and we fail, it will only be because of our complacency and because they have devoted a far greater share of their power, skill, and resources to our destruction than we have been willing to dedicate to our own preservation."

Let us look at some basic facts about inflation.

I am sure we all agree on what inflation is—and what it does.

Certainly we have had ample opportunity, over 20 years, to see it in action.

To most Americans, inflation means higher costs of living.

It means more and more struggle to try to make ends meet.

We have inflation when the cost of what we buy keeps rising while the value of the dollars we have to buy it with keeps dropping.

Since 1939, our cost of living has more than doubled.

The value of our dollar has dropped until the 100-cent dollar of 1939 is now worth just 48 cents.

How much lower would you say we dare to let it go?

Inflation feeds on the income and the savings of every individual, every enterprise, in America.

It eats away the savings we cherish for our family's security.

It robs us of the real value of the dollars we earn.

It destroys the will to work and the desire to save.

I suspect almost everyone in this room knows of someone whose savings, or insurance, or social security—carefully nurtured through half a lifetime—now is tragically inadequate to meet his needs.

As President Eisenhower has put it:

"Inflation is not a Robin Hood, taking from the rich to give to the poor. Rather, it deals most cruelly with those who can least protect themselves. It strikes hardest those millions of our citizens whose incomes do not quickly rise with the cost of living. When prices soar, the pensioner and the widow see their security undermined; the man of thrift sees his savings melt away; the white collar worker, the minister, and the teacher see their standards of living dragged down."

As businessmen and community leaders, you are only too well aware of what inflation brings in rising costs and stifling taxes.

And, finally, I would point out that the problem affects, in equal measure, the cost of maintaining the operations of your Government.

Now, what are we doing to meet this deadly force?

We are waging a battle, led by the President of the United States, which in the past year has succeeded in bringing the rise in the cost of living under control.

We are fighting to accomplish the stability of the dollar we must have to go forward soundly.

We are striving to continue our economic growth at the rate of which we are capable, with its expanding opportunity for every citizen.

But we are also facing tremendous pressures for a resumption of the inflationary process.

They are vast pressures for extravagant Government spending, and for a sharp new uptrend in the spiral of wages and prices.

Amazingly, the spending pressures are actually being led by some of the leaders of Congress—and of some State administrations.

They are practicing government by pressure group rather than government for the people.

And they will only be dissuaded by public opinion strong enough to impress its will upon them.

For this reason, it is vitally important for our people to understand some plain, straight facts.

Government, in our system, is constituted to serve the people. It must meet all the legitimate needs of its citizens.

It must do all it can for the good of the people, within the means the people are willing and able to provide.

But there are those in and out of Government who stoutly observe that we are a big nation of great wealth—and, therefore, we should put no limit to what we do in public projects—whether or not the people are able to pay the bills.

Nothing could be more crassly misleading—for the fact is, the people have no choice.

Who else will pay?

The Government has no wealth of its own. It is the agency of the people.

And when it spends more than it collects in taxes, every citizen has to pay the excess, in one way or another.

If it is not in higher taxes, then it is in suffering the inflation that deficit financing by any government inevitably brings.

Inflation itself is an invisible tax.

It is a tax without exemptions—a tax on the income of the poor in the same rate as on the incomes of the more well to do.

It is a severe tax on the savings of the thrifty.

It is, in the end, the highest and the cruelest tax of all.

If there is one thing that history has made frighteningly clear—it is that continued deficit financing by a government degrades the value of its money and spreads inflation ever further and deeper through the economy of its people. The ultimate result is collapse.

Great students of economics tell us the decline and fall of the Roman Empire was due principally to the confusion and upheaval of inflation.

We all know what happened when Germany accepted inflation as a national policy after World War I.

In 1923, 42 billion marks were required to buy 1 cent in American exchange.

Simple commodities of daily life cost trillions of marks—if you could get them at all.

And the way was open for a demagogue such as Adolf Hitler to lead that country into the tragedy of World War II.

These are but a few of the examples that stand out on the open book.

But they go unheeded by the many Members of Congress and the State administrations that are pushing vast spending schemes—schemes that far exceed the budgets available to pay for them.

More than 7,000 bills have been introduced in this session of the 86th Congress.

Only a small handful of these are major measures of broad national interest.

The vast majority would provide benefits of one kind or another to individuals or groups.

And in no case are new taxes proposed to offset them.

Their backers are encouraged by the fact that the majority of the present spending Congress is committed to Federal spending—and to deficit financing—as an economic policy.

Chairman BYRD of the Senate Finance Committee has noted, with alarm, that the effects of that policy already are plain.

The Senate, he reports, has voted to increase President Eisenhower's budget proposals by 24 percent, and the House has voted increases averaging 12 percent.

These increases represent billions of dollars.

Let us now discuss the third problem we face—the effect of the huge economic power exercised by union monopoly leaders.

This is a power that ranks among the highest accumulations of vested interest to be found in history.

It is a monopoly that draws upon huge financial resources—that permits a few perennial leaders to spend millions of dollars of dues money for political purposes, exactly as the leaders see fit, with no choice given the men and women who pay the dues.

It is a power capable of imposing at will an ever-rising cost of living upon our people.

There is no question but what the legitimate function of every labor leader is to ask for—to negotiate for—higher wages.

This is a rightful purpose of union leadership.

I myself worked at a factory job as a young man—and I know very well that one of my goals was higher wages.

I have always been, and will always be, in favor of a responsible union movement.

But union members, with all other Americans, have every reason to insist that their leaders, as well as the leaders in management, exercise a high order of statesmanship.

It is up to union leaders to recognize that if they use their monopoly power to force wage increases and employee benefits too high—they bring about fewer jobs and greater unemployment—and thereby miserably fail in their duty to their members.

By forcing wage increases which far outrun increases in productivity, labor leaders can set the spiral of wage-price inflation going again.

Once launched in the basic industries, the inflationary wave will sweep out through all manufacturing, transportation, distribution, every part of the economy.

Why do excessive wage costs have such powerful impact?

Because, after exclusion of all taxes, up to 83 percent of all income generated in the national economy goes to payment of labor.

For a $3,000 automobile, for example, the required steel costs about $290—and even this price at the steel mill, in turn, includes labor cost as its main component.

What this means is that an unearned rise in employment costs has four times as much inflationary effect as a corresponding rise in all the remaining costs of production put together.

With this in mind, let us note that 154 major wage contracts come up for negotiation this year—including the steel industry, with its nearly 1 million workers.

The cumulative effect of excessive wage-cost increases on this scale I leave to your imagination. There would be no way to describe it other than to call it a national calamity.

Everyone would suffer.

The blow, as we have noted, would fall hardest on the millions whose incomes have not gone up—the people on salaries, fixed incomes, and pensions.

But let no one assume that he would escape—least of all the wage earner himself.

He would soon find that the new-won increase had evaporated in higher living costs.

Worse, he could find that even his job is gone because the product he makes has been priced out of the market—no longer able to compete effectively at home or abroad.

And this, ladies and gentlemen, is no idle speculation.

The time when we were virtually the only country able to meet the great world demand for many types of finished goods is over.

The productive ability of most industrial nations is greater than ever before.

Competition is in full swing.

And today, we are seeing a rising number of American goods being priced out of the foreign markets.

The American producer, with his sharply increasing differential in wage costs, is simply unable to compete.

Nor is this a minor factor in our employment picture.

The estimate is that our export trade sustains four and one-half million jobs in America.

Let us ask this question of those who would continue to push excessive wage costs:

How many of these jobs—how many hundreds of thousands—how many millions—will be lost if we persist in making our goods so costly they have no chance to compete.

Indeed, let us ask another question:

How is it that foreign industries can make some of the products in which we are most efficient, ship those products thousands of miles to our own markets, and sell them at a price so low that we can no longer compete, even here at home.

Such is the growing situation in which our wage-cost inflation is placing us.

We are told, for example, that the Japanese have bought scrap metal here on the West Coast, carried it back to their mills, processed it into finished products, returned them back across the Pacific Ocean, and still undersold American producers by as much as $29 a ton.

We should, and do, look to the increasing of job opportunities here at home through the expansion of our production capacity.

We should take every step to encourage, not sap, the growth-power of industry and business.

But we can hardly say we are giving full encouragement if we permit wage-push inflation that deprives our industry of adequate earnings to plow back into new products, equipment, and plants.

Every thinking American, I believe, will agree that the decline has gone far enough when the ratio of profits to sales, after taxes, for all industry, drops from 7 percent in 1948 to 4.8 percent in 1958.

Especially is this true when we recognize the burden our taxation is placing on the accumulation of capital for investment.

It is the same burden being imposed on the personal incentive and earning power of every citizen.

The tax foundation tells us the average earner of $4,500 a year works 22 days each month.

Seven days of this total—nearly one-third of his working time—is taken from his income in taxes.

And as he may succeed in building his income, he can look forward to the tax chunk becoming larger.

We need to relieve this stifling tax load being carried by the individual citizen and by our business system.

Our great Nation has been built on the motivation of high levels of individual achievement.

We have encouraged, with material reward, each citizen to perform to the best of his capacity.

Even the Soviets have taken note of this advantage.

Russia, despite its Communist doctrine, now offers high incentives for outstanding individual performance in industry, science, and other areas of its society.

Consider, against this, the fact that we have been moving in the direction of destroying incentive.

Through taxation, we have steadily compressed the reward for doing something as opposed to doing little, or doing nothing.

Our population is growing rapidly.

Business can create new jobs to meet this growth only as billions of dollars are invested in new tools and capacity.

Now, where is this money to come from?

Today, Federal taxes alone can take more than half of many companies' net income.

Then follow State and local taxes.

There are over 100,000 taxing authorities in our country.

Their weight can literally crush the ability of business to meet its job-creating capital needs.

Our present tax structure is seriously outdated.

It is a set of laws reflecting largely the conditions of the past, especially World War II, when the goal was the confiscation of war profits, not the building of a sound peacetime economy.

A sensible, equitable, dynamic tax program is needed in its place.

Such a program will keep total revenues up, not by taxing away incentive and means of growth, but by steadily increasing the tax base.

These problems I have discussed this evening can be clearly stated.

But how clearly do we see the answers that can be given to them.

This is our task.

And I believe we cannot emphasize too heavily the answers that are being provided by our national leadership, and by leaders in many States.

These answers add up to a program of full employment with stable prices and tax reform—a program offering greater opportunity for every American.

It is because we have pursued such a program that our economy has bounded back from the recession to a dynamic new level.

The signposts are clearly visible and our program is well under way.

First of all, we have a sound and sensible philosophy of government.

We have adopted fiscal policies that are sound and productive and set realistic budgets.

We are meeting the full needs of our defense program.

We are meeting all the legitimate needs of our people.

We have refused to give away taxpayer money to nonessential projects, lavish spending schemes, and welfare state activities intended to curry favor with special groups rather than to meet the needs of all the people.

We are attempting to operate the Government on a pay-as-you-go basis, thereby avoiding the fatalistic deficit philosophy so easy to get into but so desperately hard to

We are encouraging a higher order of statesmanship in union-management wage negotiations.

We are bringing public opinion to bear so that union leaders consider the real welfare of their members and the Nation rather than striving to outdo each other in wringing inflationary wage packages from industry.

We want adequate laws to control abuses of union leader monopoly power.

Such laws were established for business, correctly and firmly, when some businessmen abused the public trust in years past.

We want to give union members their rights to pass on the action of their leaders and the use of their dues.

And finally, we intend to push forward as rapidly as we can to achieve a progressive tax program.

I believe that heartening progress is being made in all these areas.

The sound fiscal program of the President with his insistence upon balancing the budget, is rapidly gaining wide support.

We are giving utmost attention to the development of aggressive programs to help prevent the resurgence of inflation, with its higher costs of living.

Toward this end, the work of the Cabinet Committee on Price Stability for Economic Growth is under way.

The committee, as you know, is headed by one of California's great sons, who is serving our Nation so ably—Vice President RICHARD NIXON.

I am proud to be a member of this group.

In the wage-price area, we can only hope that the statesmanship we so urgently desire will be forthcoming.

It is not immediately apparent in the announced intentions of demands we have seen.

It is clear that union members themselves want responsible union leadership—responsible to their welfare, and to the national welfare.

With the great majority of the public at large, they want laws that will help to assure responsible leadership.

In regard to taxation, we are working to carry forward a program of tax reform and reduction.

The President's stress on a balanced budget is related directly to this goal.

Steps in the right direction already have been taken with the Revenue Act of 1954.

The time is approaching for another bold and imaginative breakthrough on tax policy that will benefit and encourage all taxpayers—large and small.

Obviously, this program cannot call for immediate and sharp reduction in all income tax rates.

It calls for gradual reform.

And it calls for equitable reduction for all taxpayers.

Its goal includes corresponding cuts in capital gains, estate, gift and excise taxes.

It provides for job-creating reductions of business tax rates—and realistic depreciation provisions.

In short, the objective must be a completely organized and integrated tax program that will meet the real needs of our entire economy.

The public, more and more, is rallying behind the President, who is fighting to maintain a balanced budget, to achieve tax reform, and to bring under control the extravagances and excesses that feed inflation.

But let me not overstate this premise.

The battle is far from won.

The special interests bent on spending, taxing, and deficit financing still are riding high—still have the ears of the majority of our Federal legislators and State administrations.

Washington is swarming with representatives of the special interest groups.

Each is concerned with favoring legislation for his pet project.

The fight for fiscal sanity is being waged by the President, members of his administration, and some Members of the Congress.

It is this group, almost alone, that is bearing the brunt of the battle.

The leftwing economists, the welfare-State plotters, the racketeering union bosses, and their minions of do-gooders and political captives are using every kind of vicious attack to break this firm stand.

Washington is the ground from which they launch their tirades, and their slogans claiming "neglect of the jobless," "favoritism to big business," "inadequate defenses," "obsession with the budget," and the like.

They are making an all-out attack on the free-enterprise system, and they have many camp followers in the legislative halls—some deliberately—others without knowing the effects of their misguided efforts.

My appeal to you tonight, and to the American people, is to join this battle to meet this challenge.

Remember that, in the struggle with Russia, we are strong militarily—we are strong politically—we are strong spiritually.

We must continue to strengthen ourselves economically.

We can no more appease inflation than we can appease Soviet aggression.

I believe we shall continue to build the strongest, freest way of life the world will know.

But I also believe that, to do so, America must maintain a sound economic philosophy, and sound policies firmly based on that philosophy.

We must never accept the premise that our basic problems cannot be solved.

Inflation, deficits, high costs of living, and oppressive taxation all are manmade.

So, too, is the destructive monopoly power of union leaders.

There is nothing sacred about them.

By attacking these problems with intelligence, determination, and perseverance, we shall overcome them.

May there be a reassertion—by all of us—of the courage and strength and faith of the Americans who opened the great West.

I am confident that the business and community leadership of the west coast, which is so well represented here tonight, will play a vital part in keeping our free enterprise system strong.

As civic leaders in a key city and State, your views and actions are vitally important—to your own progress, to your State, and to the Nation.

This is why I am deeply impressed by the emphasis your association places on employee communications.

Employees want information on which to base their decisions.

And they want fair and honest information.

I have always felt that businessmen should provide their employees with the facts about

the issues that affect the ability of the business to compete, to advance, and to grow.

For these are the factors that determine the rewards and the opportunities for the employees themselves.

Perhaps too many businessmen are failing to meet this responsibility, to the detriment of their employees, their stockholders, as well as themselves.

I would ask you to give this your deepest thought.

Are businesmen and civic leaders doing enough to help provide the facts to everyone associated with them—employees, stockholders, community neighbors, and voting citizens.

Is any competition more important than the competition to determine how soundly this Nation is to conduct its economic affairs.

Is any problem more important.

I would dare to suggest that you assess what you are doing individually.

If you believe that we must attack the causes of inflation and onerous taxation firmly and intelligently—if you believe union monopoly power must be curbed—ask yourself if you are doing all you can to support that belief.

Your belief in America can be effective only as you let it be known.

I urge you to take your place among those who will speak, work, and fight for sound policies and a stronger America in the years before us.

There is nothing more important to you, your family, your future, and your Nation than that you take your stand now.

Speak up—let your representatives in Congress know what you think.

Let them know you understand that a Government big enough to do everything for its citizens from cradle to grave is also big enough to take everything from them in taxes.

Every businessman must understand that the political party of his choice is what he makes it—either by his participation or lack of participation in its affairs and in its choice of candidates.

Unless responsible citizens, especially business leaders, devote more of their time and effort and organizing ability—as well as their money—to unselfish politics, directed to the greatest common good, government by pressure groups will continue to grow.

Only by universal participation can we be sure that the Government will serve all the people—not some special interest—and assure the greatest opportunities for all our citizens.

My friends—this is the banner of true liberalism.

Advancing under it, we shall meet the Communist economic challenge as surely as we shall meet the military and political challenge.

We shall constantly move forward into the golden era of unlimited opportunity that lies ahead.

We shall preserve the great free and growing economy which is the foundation of all our freedoms—our security—our prosperity—and our future, in a strong, free, and better world.

SENATE

WEDNESDAY, APRIL 22, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers, grateful for our heritage of freedom, we acknowledge the clear vision of our God-fearing forefathers who, when they had broken the unjust chains of tyranny, refused to accept the coercive reins of even a benevolent government, but who set the rights of all the people above the powers of governors and made them but the servants of freemen.

As soldiers of the common good deliver us from any thought or action which is treason against the freedom wrought for us by those who kneeled around the cradle of our state.

Give truth to our words, sincerity to our hearts, and courage to our deeds in these times that are testing, as by fire, the treasure bequeathed to us.

So may we in our day make patriotism beautiful with loyalty and dedication to this free land of our love and prayer. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 21, 1959, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. SYMINGTON, and by unanimous consent, the Subcommittee on Governmental Organization for Space Activities of the Committee on Aeronautical and Space Sciences was authorized to sit during the session of the Senate today.

On request of Mr. ELLENDER, and by unanimous consent, the Senate Committee on Agriculture was authorized to sit during the session of the Senate today.

On request of Mr. JORDAN, and by unanimous consent, the Post Office Subcommittee of the Committee on Post Office and Civil Service was authorized to sit during the session of the Senate today.

On request of Mr. BYRD of Virginia, and by unanimous consent, the Finance Committee was authorized to sit during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour for the transaction of routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AUTHORIZATION FOR SECRETARY OF AGRICULTURE TO GRANT CERTAIN EASEMENTS OVER NATIONAL FOREST LANDS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to grant easements for rights-of-way over national forest lands and other lands under the jurisdiction of the Department of Agriculture, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

PROMOTION AND INVOLUNTARY RETIREMENT OF CERTAIN OFFICERS OF ARMED FORCES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces (with accompanying papers); to the Committee on Armed Services.

AUTHORIZATION FOR CERTAIN GENERALS TO ACCEPT AND WEAR DECORATIONS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to authorize certain generals of the Army to accept and wear decorations, orders, medals, presents, and other things tendered them by foreign governments (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON REVIEW OF BUREAU OF FEDERAL CREDIT UNIONS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of Bureau of Federal Credit Unions, Social Security Administration, Department of Health, Education, and Welfare, June 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF ADMINISTRATION OF MAJOR SUBCONTRACTS UNDER DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of administration of major subcontracts under Department of the Navy Contract No. a(s)56–719–f, with Philco Corp., Philadelphia, Pa., dated April 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON LIMITED REVIEW OF SELECTED OFFSHORE PROCUREMENT CONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the limited review of selected offshore procurement contracts, Air Materiel Force, European area, fiscal years 1954–56 (with an accompanying report); to the Committee on Government Operations.

SUPPLEMENTATION OF FEDERAL RECLAMATION LAWS

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to supplement the Federal reclamation laws (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF FOREIGN AGENTS REGISTRATION ACT OF 1938

A letter from the Attorney General, transmitting a draft of proposed legislation to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended (with an accompanying paper); to the Committee on the Judiciary.

ALBERT E. SHERRON

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation for the relief of Albert E. Sherron (with an accompanying paper); to the Committee on the Judiciary.

ROBERT N. ANTHONY

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation for the relief of Robert N. Anthony (with an accompanying paper); to the Committee on the Judiciary.